

Iranian Gunboats Damage French Freighter in Gulf

MANAMA, Bahrain — Iranian gunboats attacked a French container ship in the northern Gulf on Monday, causing damage but no reported injuries. Salvage operators based in the Gulf said two high-speed launches circled the Ville d'Anvers, firing on the vessel with machine guns and cannon for about 20 minutes.

French border police at the Geneva airport of having beaten an Iranian diplomat. [Page 6.] France and Iran most recently have quarreled over French demands that an interpreter at the Iranian Embassy in Paris answer a summons to testify about a series of bombings the city last year.



Dhaka Policemen Clash With Anti-Government Protesters. Demonstrators fought Bangladeshi policemen for a second day in the capital Monday during a strike to protest a law that would allow the army to acquire seats on local councils. Opposition leaders have called it a move to "militarize democracy." Page 2.

President Denies Being Briefed on Funds Diversion

By David Hoffman Washington Post Service INDIANAPOLIS — President Ronald Reagan's chief spokesman said Monday that Mr. Reagan denied ever having been briefed on his aides' plans to use "any excess funds" from the secret sale of arms to Iran for covert operations.

in the briefing, Mr. Fitzwater said the document was intended as a background paper for Mr. Reagan before the visit by Mr. Peres. Mr. Inouye was careful to note Sunday that the document did not refer to diversion of Iran arms sales profits to the Nicaraguan rebels, or contras. Still, he said, Admiral Poindexter's initials on the memo made it "an important document in which he says, 'I briefed the president, the president agrees on the use of these residuals... for other covert activities.'

Klosk Italy Asks Gorla To Take Over

ROME (Reuters) — President Francesco Cossiga, in a surprise move, on Monday asked the outgoing Treasury Minister Giovanni Gorla to try to form Italy's 47th post-war government and end a four-month political vacuum.



Giovanni Gorla, 43, after being asked to form a government in Italy.

In Europe, a Reappraisal of Self-Defense U.S.-Soviet Talks Prompt Revival of Plan

By Edward Cody Washington Post Service PARIS — Faced with the prospect of reduced U.S. nuclear forces, West European leaders are reviving the distant hope of an integrated European defense as a more independent guarantee of the continent's security.

Head of Daimler-Benz Will Step Down Early

By Ferdinand Protzman International Herald Tribune FRANKFURT — The supervisory board of Daimler-Benz AG, West Germany's biggest industrial concern, has apparently forced the resignation of the managing board chairman because of concern that the group had outgrown his management ability.

Chun Names 9 to Posts in Seoul Regime

By Nicholas D. Kristof New York Times Service SEOUL — President Chun Doo Hwan of South Korea replaced the prime minister and eight cabinet ministers on Monday night in what officials described as an attempt to render the government impartial in the period before national elections.

Republicans Shying Away From Reagan

By Bernard Weinraub New York Times Service SEATTLE — For the first time, Republican presidential contenders have clearly but carefully begun to distance themselves from President Ronald Reagan.

GENERAL NEWS ■ A Cambodian official said that refugees in Thai camps could return. Page 2. ■ As Alfredo Stroessner plans an eighth term as president of Paraguay, many are questioning his grip on power. Page 3. ■ The unmaking of Michael K. Deaver, President Reagan's former deputy chief of staff. First of two articles. Page 3. BUSINESS/FINANCE ■ The Soviet Union said it would join a UN commodities fund to help developing countries. Page 9.

Harbinger at Taj Mahal: Barbed Wire Threats of Attack Limit Access, Prompt Tighter Security

By Francis X. Clines New York Times Service AGRA, India — The Taj Mahal, the classic monument to personal grief and architectural splendor, has become a barometer of India's smoldering ethnic vendettas.

Soviets Begin Official Visit to Israel

By Thomas L. Friedman New York Times Service JERUSALEM — The first official Soviet delegation to visit Israel in 20 years quietly slipped into Tel Aviv Sunday night on a flight from Cyprus, Israeli officials confirmed Monday.



Members of a Soviet consular delegation on Monday after their arrival in Tel Aviv.

Dow closes DOWN 3.02 The dollar in New York: DM 2 Yen FF 18425 16155 151675 6.1325

Signs have been posted forbidding visitors to carry cameras into the tomb area, the main building with its onion-shaped dome. Tourists had long photographed the most prized artistry within: the countless gemstone flower designs inlaid like lacy galaxies in the hand-carved white marble walls, trellis screens and twin ceremonial coffins of the fierce Mogul ruler, Shah Jahan, and his beloved wife, Mumtaz Mahal.

For example, the new prime minister is Kim Chung Yul, 69, a former three-star general and air force chief of staff. He has served as defense minister and ambassador to the United States.

The Soviet delegation is led by the deputy chief of the consular division of the Soviet Foreign Ministry, Yevgeni Antipov. It also includes the deputy chief of the Foreign Ministry's Middle East department, Alexei Tschysnyakov.

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Refugees in Thai Camps Could Return, Official In Cambodia Declares

By Henry Kamm New York Times Service

PHNOM PENH — A senior government minister has declared that Cambodia is ready, in principle, to take back the bulk of the 275,000 Cambodians who have sought refuge in Thailand since the Vietnamese invasion of 1979.

The minister, Kong Sam Ol, an assistant to Prime Minister Hun Sen who deals with international and Western relief organizations, said that his government was ready to talk with Thailand about the Cambodians in the border region.

Of the 275,000 Cambodians in Thailand, more than 250,000 have been denied refugee status by Bangkok. For them, there is little possibility of resettlement elsewhere.

The refugees, most of whom are under 16 years old, have nowhere to turn for protection and have been victimized by factions of the anti-Phnom Penh resistance, notably the Khmer Rouge of a former prime minister, Pol Pot, as well as by some Thai soldiers.

The major condition that the minister attached to the acceptance of returnees was based on Phnom Penh's fear that a mass movement might serve as a Trojan horse for anti-government forces.

Western and international officials in Geneva, Bangkok and Phnom Penh say that Phnom Penh's willingness to accept the return of the Cambodians in Thailand would be only part of the solution in resolving a problem that threatens to uproot a quarter of a million people.

Opponents of the Phnom Penh regime tend to see even indirect negotiations as tacit recognition of a government created through military conquest and sustained by 140,000 Vietnamese troops.

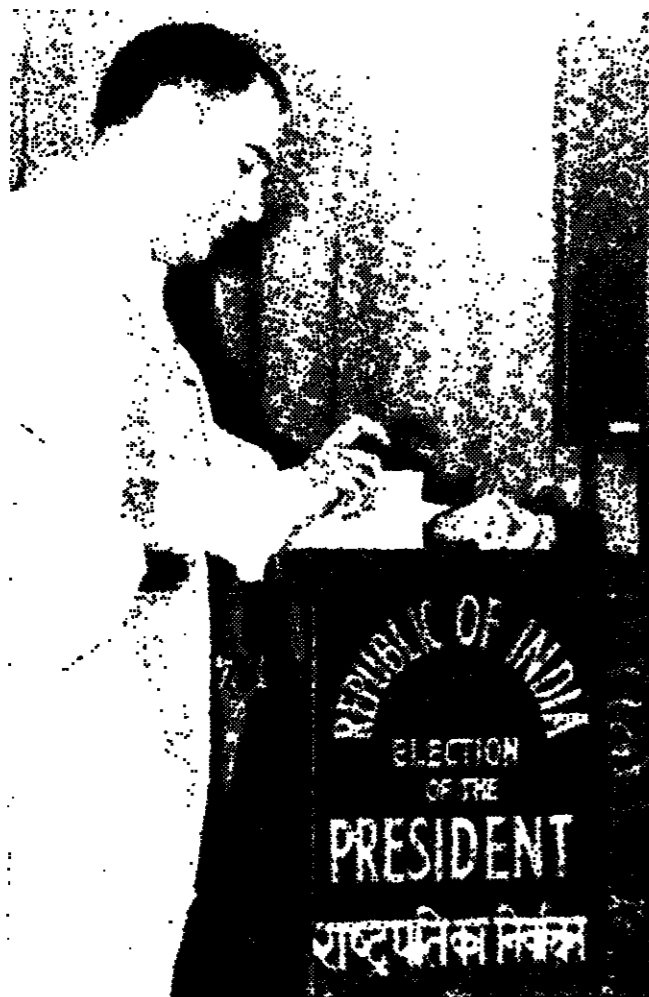
Phnom Penh no longer insists that Thailand recognize its government as a condition for refugee talks.

Kong Sam Ol said that a UN body such as the High Commissioner for Refugees could be an acceptable middleman. So far, the refugee organization has talked with Phnom Penh only on possible voluntary repatriation of some of the 24,000 recognized refugees.

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He said the government rejected any step toward settlement of the Cambodian conflict that did not include the dismantling of the Khmer Rouge as a military or political organization.

"We wouldn't take Pol Pot back," Kong Sam Ol said. "Every one has to be checked individually, not as a group. We have clarity for the children, but we cannot separate families by returning the children before we know who their older ones are."



Rajiv Gandhi voting in India's presidential election Monday.

Gandhi Nominee Is Favored In Election for President

New York Times Service

NEW DELHI — Indian legislators voted Monday to elect a successor to President Zail Singh, who leaves office later this month.

Vice President Ramaswami Venkatarman, the nominee of Prime Minister Rajiv Gandhi, is expected to win. Mr. Venkatarman is competing against an opposition candidate, V.R. Krishna Iyer, and an obscure independent nominee, Mithlesh Kumar Sinha.

India's president is the head of state and commander of the armed forces, but the duties are largely ceremonial. However, Mr. Singh and Mr. Gandhi have been confronting each other bitterly over the past several months.

The president is elected by a majority of legislators in the Parliament and the 22 state legislatures.

Mr. Gandhi's Congress (I) Party and his allies have overwhelming support both in Parliament and in most of the states, despite losses in several smaller states over the past two years.

Three persons, including a police constable, were shot and killed in Punjab. The Associated Press reported Monday, quoting a dispatch from United News of India. The police said they suspected Sikhs were responsible for the killings.

Advertisement for Gramercy Park Hotel in New York City, listing amenities and contact information.

Advertisement for Michel Swiss perfumes and cosmetics, featuring a portrait of a woman.



Supporters of former President Ferdinand E. Marcos demonstrating Monday at the U.S. Embassy in Manila. They alleged that tapes reportedly made of Mr. Marcos describing a plan to invade the country and overthrow the Aquino government had been altered.

Manila Arrests Major, Alleges Plot

By Gregg Jones Washington Post Service

MANILA — A senior military commander said Monday that an armed force major had been arrested and other army personnel were being sought in connection with a conspiracy to overthrow the government of President Corason C. Aquino.

Brigadier General Alexander Aguirre, commander of the forces defending the capital, said the arrested officer had detailed a military-civilian conspiracy to seize Manila International Airport, the adjacent air force headquarters and other government facilities in an effort to force Mrs. Aquino to step down.

Military investigators are seeking an unspecified number of active and recently discharged soldiers

who are suspected in the plot, Gen. Aguirre said.

The military announcement follows disclosures last week of taped conversations in which the arrested officer said his plan was to buy \$25 million worth of weapons to outfit a force to overthrow Mrs. Aquino.

Mr. Marcos admitted on Sunday having discussed a possible invasion of the Philippines, but said his plan was predicated on his belief that a "Communist takeover" was imminent.

General Aguirre said the arrest and confession of the major had "pre-empted" a coup attempt against Mrs. Aquino by rightist civilian and military elements probably linked to Mr. Marcos. He said a series of recent bombings in the

Manila area had been linked to the coup conspiracy.

Government television reported Monday evening that five military officers, including two majors, had been arrested in connection with the investigation. The station attributed the information to sources at armed forces headquarters.

A Manila newspaper, quoting a senior military source, said Monday that the coup was to have been begun with a takeover of Manila International Airport and a helicopter assault on the adjacent Villamor air base, the air force headquarters.

The report said passengers from international flights were to have been taken hostage as leverage in negotiating with the Aquino government.

Dhaka Police and Protesters Clash

Compiled by Our Staff From Dispatches

DHAKA, Bangladesh — Anti-government protesters and riot police clashed for a second day Monday during a national strike to protest a law giving the military seats on local councils.

Parliament passed the law on Sunday.

The strike was first called by several unions demanding higher wages and benefits, but it turned into a national anti-government protest when major opposition groups lent support to the unions over the new law.

Opposition leaders said the bill would allow the army to share administrative powers in key rural district councils. They denounced it as a move to "militarize democracy" and threatened to launch a stronger protest unless it was quickly repealed.

They said the law represents an attempt by the president, Lieutenant General Hussain Mohammad Ershad, who took power in a 1982 coup, to give the military a permanent role in government despite the end of four and a half years of martial law in November.

Witnesses said policemen wielding bamboo truncheons repeatedly charged nearly 500 protesters on Monday at the Farmgate Commercial Center near the Parliament building.

On Sunday, policemen using clubs charged 10,000 people protesting the new law, and witnesses said more than 100 were injured and more than 40 were arrested.

(AP, Reuters)

For Africa's Children, Wars Inflict Rising Toll

By Sheila Rule New York Times Service

NAIROBI — Life has become a doubtful proposition for the four million children caught in the cross fire of Africa's wars.

The death rate of African children, from bullets and preventable diseases, is soaring, and the toll exacted by conflict is felt in other ways.

Children often lose their homes and clothing and, because of the protracted chaos, cannot attend school. Many have seen their parents killed or have been separated from their families. With anxiety and depression as uncompromising companions, they wander toward a future that seems to offer more despair than promise.

In an attempt to find ways to ease the plight of these victims, about 100 representatives of African governments, international humanitarian organizations and other groups met last week in the first conference on the continent devoted to the impact of war on children.

The participants recommended, among other things, that the Organization of African Unity work with governments and other bodies to promote the continent as a "zone of peace," where children would be guaranteed access to basic services and protection.

They called on governments and international agencies to immediately assess the effect of Africa's various wars on women and children, who were said to be the main victims, with a view toward providing help based as much as possible on resources available locally.

The conference was sponsored by the United Nations Children's Fund and the Nairobi-based African Network on Prevention and Protection Against Child Abuse and Neglect.

It identified South Africa's system of apartheid as a "form of war" that was particularly destructive to children and urged all countries and humanitarian groups to bring to an end what participants characterized as "this inhuman and unacceptable practice."

From 182 for each 1,000 in 1980. It said the conflict had resulted in the death of 320,000 children from 1981 to 1986.

"Normal family and community life in Mozambique is being destroyed," said the paper, which was prepared by the country's Ministry of Health in collaboration with humanitarian organizations.

"The high mortality rate caused by the war, the displacement of millions from their homes, the separations that take place when communities are attacked, are major factors," the paper said.

"However," it continued, "the psychological stress caused by uprooting and insecurity, the lack of essential goods, the overcrowding in urban areas, also contribute to the breaking up of the family structure."

"The vast majority of families in Mozambique," the paper said, "are unable to meet their children's basic needs, not just for food and shelter but for stimulation, love and stability."

U.S. Official, Mozambican Rebel Aide Held Talks

By Neal A. Lewis New York Times Service

WASHINGTON — In a marked shift of policy, the Reagan administration has held low-level official talks with a representative of anti-government rebels in Mozambique and is actively considering expanding such contacts, according to government officials.

It had previously been reported that the United States was willing to have "informal contacts" with the rebels, but this is the first time that officials have said talks have actually been held.

The administration is under considerable pressure from conservative members of Congress to change its policy of full support for the Marxist government of Mozambique.

Administration officials have said repeatedly that they will not recognize or negotiate with the rebel group, the Mozambique National Resistance Movement, known as Renamo, because it has ties to South Africa and to do so would undercut a policy of carefully cultivated relations with the government in Maputo.

But the Mozambique officials are now seeking ways to defuse the confrontation with Senate Republicans who have insisted on some sort of contact with the Renamo rebels.

Underlying the situation is a debate between the Senate and the State Department over U.S. policy in southern Africa and whether the Reagan administration should support anti-Communist insurgents there as it does in Central America.

The campaign to persuade the administration to shift in favor of Renamo has been led by Senator Jesse Helms of North Carolina, the ranking Republican on the Senate Foreign Relations Committee. He has been supported by Bob Dole of Kansas, the Senate majority leader.

They have forced the issue by holding up confirmation of Melissa F. Wells, the administration's nominee to be the next ambassador to Mozambique.

Last month, Greg Fergin, at the behest of Chester A. Crocker, assistant secretary of state for African affairs, held talks with Renamo's Washington representative over the issue of an American woman abducted by the rebels in May.

The woman, Kinira Bryan, 28, a nurse from Texas, was seized along with an Australian and five Zimbabweans, including a baby from a farm in an area where the rebels are active.

State Department officials acknowledged Mr. Fergin's meeting with the Renamo representative, Luis Serapiao, a professor of international relations at Howard University in Washington.

"He told me that Mr. Crocker had given him permission to talk to me," Mr. Serapiao said. He said he delivered a statement to Mr. Fergin from rebel headquarters in Gorongosa about the seven persons.

American officials described the meeting as merely an effort to obtain information about Miss Bryan. But other officials said it was also an attempt to satisfy the demands of Congress that Renamo be accorded some measure of recognition.

The State Department has adopted a strategy of improving ties to the Mozambican government in an effort to move away from Moscow. Moreover, officials say Renamo is a movement with no popular support that has regularly committed atrocities against the civilian population.

Renamo was established by white-ruled Rhodesia in 1976, the year after Mozambique gained its independence from Portugal. State Department officials say that it is now being used by the South African government to undermine Mozambique.

Mr. Helms and his allies say that Renamo is an anti-Communist movement deserving American support.

WORLD BRIEFS

EC Removes Ban on Syrian Contacts

COPENHAGEN (Reuters) — European Community foreign ministers agreed Monday to resume high-level contacts with Syria and said an international conference was the only formula that would advance Middle East peace efforts.

The ministers lifted an eight-month ban on ministerial contacts with Damascus but retained other sanctions, including an embargo on new arms sales. They were imposed in 1986 when Syria was implicated in a plot to blow up an Israeli airliner in London. Sir Geoffrey Howe, the British foreign secretary, said Britain would not restore diplomatic relations with Syria, which were broken off because of the incident.

Uffe Ellemann-Jensen, the foreign minister of Denmark, said he would contact Damascus to arrange a high-level meeting but added that he had no immediate plans to visit Syria. Denmark holds the rotating EC presidency.

South Africa Black Union Calls Strike

JOHANNESBURG (WP) — The second largest black union in South Africa announced Monday that it will go on strike Tuesday to protest wages and working conditions.

A strike by 80,000 metalworkers was regarded as a possible precursor to a walkout by 200,000 coal and gold miners — nearly half the miners in South Africa. This could cripple South Africa's mining industry and lead to broader labor violence as it has during similar strikes.

Officials of the newly formed National Union of Metal Workers of South Africa said that 95 percent of approximately 85,000 balloting workers — most of them black — had voted to strike Tuesday. About 400 companies in the metal and allied industries, including automobile manufacturers, would be affected. The union was formed earlier this year with the merger of seven others. It has an overall membership of about 130,000.

Security Tightened for Tour de France

BAYONNE, France (Reuters) — French police tightened security around bicycle racers in the Tour de France on Monday after indications that Basque guerrillas were planning an attack on the race in southwestern France.

The police said that 300 officers of the National Intervention Force, an elite, Paris-based group, had been mobilized to assure the security of about 200 cyclists and hundreds of officials. A police source said that guerrillas had "targeted the Tour de France during its passage through the Pyrenees," the mountainous region of southwestern France that is believed to be the base for the underground Basque movement.

The officers will be posted along the course on Tuesday before an elite, Paris-based group, had been mobilized to assure the security of about 200 cyclists and hundreds of officials. A police source said that guerrillas had "targeted the Tour de France during its passage through the Pyrenees," the mountainous region of southwestern France that is believed to be the base for the underground Basque movement.

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Thousands of Ulster Loyalists March

BELFAST (AP) — Thousands of Protestant Loyalists marched in parades across Northern Ireland on Monday to mark the 297th anniversary of the Protestant victory over Catholic forces in the Battle of the Boyne. Two policemen were slightly injured and 10 persons were arrested in scattered clashes before the marches. But the police said the parades got under way peacefully in Belfast and 18 other cities and towns.

Early Monday, youths hurled rocks and bottles at police in three towns, Limavady, Killeek and Ballynahinch. The police said the trouble started when some Loyalists tried to hold parades without giving the police the required notice. Until two years ago some marches went through Catholic neighborhoods, or Republican neighborhoods where there were occasional sharp clashes, but the police have forced the parades away from these districts to reduce the chance of violence.

Haiti Opposition Renews Strike Call

PORT-AU-PRINCE, Haiti (AFP) — Opposition leaders, carrying out a pledge to renew national protests if the National Government Council did not resign, called for a general strike to begin Wednesday.

A coordinating committee representing 57 peasant, student and labor groups, led a general strike earlier this month to press for the resignation of the council, which is headed by Lieutenant General Henri Namphy, the army chief of staff. It warned last week that it would "go to the people" if the general did not step down by Monday.

The committee has proposed creating a five-member governing council, including one army representative, until national elections planned for November.

Last Atlas-Centaur Rocket Damaged

CAPE CANAVERAL, Florida (AP) — An Atlas-Centaur rocket used for space launches was heavily damaged here Monday when a work platform struck the booster stage on the pad and ruptured a fuel tank, the National Aeronautics and Space Administration reported.

Four workers were slightly injured. The space agency provided few other immediate details on the accident, nor was it known whether the Centaur could be repaired.

This is the 68th and last Atlas-Centaur that the space agency plans to launch and there are no spare booster stages. The \$78 million Atlas-Centaur originally was to have launched an \$83 million military communications satellite on June 11, but that was delayed after another Atlas-Centaur carrying an identical payload was struck by lightning and destroyed during a March 26 launching.

Gibraltar, Britain to Discuss Air Fares

GIBRALTAR (Reuters) — Gibraltar and Britain will analyze the failure of European Community talks last month on an air fare liberalization agreement. Josefa Hagan, the chief minister of Gibraltar, and Sir Geoffrey Howe, the British foreign secretary, were scheduled to meet in London on Tuesday.

Spain, which claims sovereignty over Gibraltar, vetoed the EC accord because it wanted the Gibraltar airport to be left out. Spain said the airport should only be discussed bilaterally.

Britain reportedly wants the airport to be included in an EC cheap air fare package.

Heavy trucks have been banned from the main street in Herborn, West Germany, where a tanker truck crashed into an ice cream parlor on July 7 and killed five persons, the authorities said Monday.

A bomb threat forced a United Airlines plane flying from Hong Kong to Seattle to make an emergency landing at Tokyo International Airport on Monday, the police said. A flight attendant found a note with the threat in a toilet, but no bomb was found.

Bavaria Defends Application of AIDS Measures

MUNICH — Amid sensational debate, the West German state of Bavaria put into effect last month some of the strictest AIDS regulations yet ordered anywhere. They include mandatory blood tests for prostitutes, drug addicts, prison inmates, applicants for civil service jobs and some foreigners seeking residence.

The regulations also provide for isolating some carriers of AIDS, or acquired immune deficiency syndrome, at least in extreme cases.

But so far, according to Peter Gauweiler, secretary of state in the Bavarian Interior Ministry, no one has been denied a civil service job or residence permit and no one has been "isolated," or quarantined.

From the time they were announced on Feb. 25, the regulations stirred a fierce debate, often pitting Bavaria's conservative government against the federal government in Bonn. Specifically, the issue pitted Mr. Gauweiler against the federal minister of health, Rita Süssmuth, a staunch opponent of mandatory testing.

Disclosures in the press last week, however, indicated that since December the federal government and other West German states have been noting in police records whether a convict is infected with AIDS.

Don't understand why we can check for all these other diseases, but not for AIDS, which is so much more dangerous.

The debate in Bavaria, as in the United States, has turned to fundamental questions of individual rights. The fact that Bavaria, firmly ruled by the Christian Social Union, is a bastion of conservatism in West Germany has only sharpened the dispute.

The Christian Social Union, part of the government coalition in Bonn, tried once to expand its AIDS regulations to the rest of the country. The effort was blocked when Ms. Süssmuth threatened to resign.

Demonstrations Resume in Panama

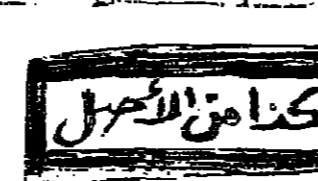
PANAMA CITY — Anti-government demonstrations resumed here Monday, the day after Panama's de facto ruler, General Manuel Antonio Noriega, said he would not resign.

The government held an emergency cabinet meeting Monday to discuss the crisis.

Hundreds of people demonstrated at noon in cars and honked horns to express discontent. They were cheered by office workers and by people in residential areas.

On Friday more than 300 people were arrested and scores were injured when security forces prevented anti-government demonstrators from holding a rally in Panama City. Troops in combat gear patrolled over the weekend but returned to their barracks Monday.

The unrest began a month ago, after an army colonel accused General Noriega of corruption and murder. On television Sunday night the general rejected calls to resign, saying: "Why should I go, why should I go?"



# In Paraguay, Signs Of New Uncertainty

## As Stroessner Prepares for an 8th Term, His Grip on Power Is Being Questioned

By Alan Riding  
New York Times Service

ASUNCION, Paraguay — For the best part of three decades, Paraguayans could safely assume that everything important, unusual, or even illegal that occurred here was part of one scheme or another by General Alfredo Stroessner to perpetuate his dictatorship.

But as the 74-year-old president prepares to be elected to his eighth term, Paraguay is being swept by such political uncertainty that, for the first time in memory, his absolute grip on power is being questioned.

No one doubts that he will be re-elected in February. No one doubts that a military coup. And even opposition leaders have given up announcing that he is terminally ill.

Still, Paraguayans are wondering whether everything is going according to his plans. "Opinions are split," a Western diplomat said. "Some people still can't imagine anything happening without his approval. Others say he's out of touch. But the very fact this question is now being debated is significant."

Most puzzling is the power struggle that has erupted within the governing Colorado Party between so-called traditionalists and militant factions. Both swear loyalty to the president, but their public warring has badly divided one of the main pillars of his power.

The battle also has reportedly caused distress in the armed forces, the president's other key political base.

The prize sought is control of the party — and the country — at the moment the dictator dies or steps down. Top military leaders see themselves, and not the politicians, as the natural heirs to the Stroessner government.

The agitation emanating from the immediate circle of power has disturbed the "order and harmony" traditionally provided by a single unchallenged political opinion.

It also has prompted other long-silent voices, notably the Roman Catholic Church and the private sector, to start criticizing the government.

The church, for example, organized a national dialogue that has brought together opposition, labor, academic, professional, journalistic and church groups to discuss the nation's political future. The Colo-

radio party and other pro-government organizations have boycotted the effort.

So far corporations and business owners have mainly pressed the government to control contraband and reduce the nation's debt. But Ubaldo Savone, president of the Unión Industrial, noted: "All of us believe that democracy is best for free enterprise."

After General Stroessner's decision to end a state of siege and allow the return of political exiles earlier this year, even Paraguay's tiny divided opposition parties have been allowed to speak out and hold political meetings.

They are convinced the president is trying to improve his image abroad. "The international pressure had to make a difference," said Domingo Latino, who recently returned from exile and whose first public meeting last month drew a crowd of 30,000, the largest opposition gathering in 20 years.

The "democratic opening" is in fact still tiny. The main independent newspaper, ABC Color, and the opposition radio station, Radio Nanduti, for example, remain closed.

Nonetheless, the Reagan administration, which has repeatedly urged General Stroessner by describing his government as a dictatorship, has welcomed even the smallest indication of an opening toward democracy.

But in the Paraguayan government and the opposition, no one believes a gradual transition to democracy is taking place. So attention instead is focused on speculations about the intentions and the state of mind of the dictator, who has ruled since 1954.

The president's image is present everywhere on the posters and the slogans that cover the walls in Asunción, and every day in local newspapers and on television, where he is shown receiving visitors or inaugurating events.

But only once a year, on April 1, does he address the nation, to commemorate the achievements of his "democracy without Communism."

On the rare occasions when he meets foreign journalists, he reveals nothing. And even among senior Colorado Party politicians and top generals, he is said to be haughty and tight-lipped.

Since his power was long overtopped by his silent authoritarianism, the



Alfredo Stroessner

political cacophony of recent months has begged the question: Has he changed the rules to fit some new Machiavellian scheme, or is change beginning to take place without him in a country where 70 percent of the population of 3.5 million was born since he seized power?

The greatest source of fascination remains the battle within the Colorado Party that has pitted the "militants" whose power is based on their close ties to the president, against the "traditionalists," who reportedly believe the party should prepare itself for the post-Stroessner era.

The most bitter feud is between a powerful newspaper publisher and former son-in-law of the president, Humberto Dominguez Dibb, and Interior Minister Sabino Augusto Montanaro, who is part of a "militant" faction that hopes to seize control of the party at its convention next month.

After Mr. Dominguez was jailed for four days last month on the orders of Mr. Montanaro, the publisher threw his weight behind the re-election of the current "traditionalist" party leader, 85-year-old Juan Ramón Chaves.

Some diplomats speculate that on the eve of the party convention, General Stroessner will assert his strength and impose a single "unity" slate. Another scenario has him seeking a "militant" victory in order to secure absolute control over the party and ensure the perpetuation of his regime after he dies.

On only one thing is there consensus. "Things are happening here that would have been inconceivable a year ago," said Humberto Rubín, the owner of Radio Nanduti. "This is not the Stroessner regime that we grew up with. We just don't know where it is leading us."

# Santiago, Its Wonders Veiled, Starts to Fight Smog

By Shirley Christian  
New York Times Service

SANTIAGO — Some evenings, from the middle of Santiago, the sky appears as a watercolor of pale pastels and the snow-topped Andes are streaked pink and blue by the setting sun.

But usually at this time of year, all of that is hidden by particles in the air.

This is smog, with which Chileans are unhappily becoming acquainted.

The issue is so sensitive that the president, General Augusto Pinochet, recently dismissed an army general from his job as metropolitan governor because he supposedly caviled in to bus owners in a dispute over emissions controls.

Pollution experts here, who are a small but growing number, say this is one of the world's most polluted cities.

The morning newspapers carry an air-quality index telling how bad conditions were the day before. They also announce which vehicles are not allowed to move that day; the restriction, based on license plate numbers, keeps one-fifth of all vehicles off the streets each weekday.

These days, the beginning of winter in the Southern Hemisphere and the height of the smog season, the air quality is usually "very bad." On June 15, thanks to a wave of polar air, the index read "acceptable" for the first time in two months.

Santiago's problem began four centuries ago when Pedro de Valdivia, a Spanish conquistador, selected the site for his city. With mountains on three sides, he reasoned, the area would be easy to defend against invading armies.

The area has a natural beauty that awes visitors and makes Chileans abroad dream of home. It is 70



Santiago smog/Photo by The New York Times

Heavy smog in Santiago has led to daily traffic restrictions and other measures to deal with an increase in pollution.

miles (112 kilometers) from Pacific beaches and fresh seafood, and an hour's drive in the opposite direction from first-class skiing.

But city residents have introduced dirt and gases that are trapped by the natural boundaries that Pedro de Valdivia welcomed.

Ricardo Katz Bianchi, a pollution adviser for the government's office, likens Santiago today to a giant cooking pot full of pollutants. A permanent "temperature inversion layer" over the city is a lid that rises and falls but never disappears.

The near absence of wind, as well as low rainfall, 12 to 14 inches (31 to 36 centimeters) a year, add to the problem.

Santiago's worst pollution, Mr. Katz said, comes from dust and particulates in diesel fuel; in contrast, cities in more developed countries have to worry about lead, sulfur oxides and carbon monoxide.

Mr. Katz attributes Santiago's pollution mainly to 8,500 diesel-powered buses that operate in the city and nearly 2,000 miles of un-

paved streets in the urban fringes.

Mr. Katz said a government study concluded that the diesel fuel was responsible for most of the pollution particles in the air that could be inhaled and cause health problems.

Although Santiago is still in the initial stages of measuring and analyzing its smog, Mr. Katz said that samples that had been analyzed had contained cancer-producing compounds.

Twenty years ago, Mr. Katz said,

the buses operating in Santiago were mainly built in the United States and burned gasoline, but in the 1970s diesel buses began to be imported from Europe. They had lower fuel costs, but they also brought most of the pollution, he said.

The search for solutions, he noted, is just beginning. One of the first steps has been the installation of five air-pollution monitoring stations. For the future, Mr. Katz said, methanol-fueled buses may be tested for use in the area.

# Nathan Perlmutter, 64, Dies; Leader of U.S. Rights Group

By Elizabeth Neuffer  
New York Times Service

NEW YORK — Nathan Perlmutter, 64, national director of the Anti-Defamation League of B'nai B'rith, died Sunday, league officials said Monday.

Mr. Perlmutter had devoted nearly his entire career to the league, a human rights organization dedicated to opposing anti-Semitism and racism. A New York native, he joined the organization in Denver in 1949 after graduating from law school, and remained

with it, with one eight-year inter-ruption, until his death.

Mr. Perlmutter was the author of several books, including "The Real Anti-Semitism." He also wrote "How to Win at the Races." Thoroughbred racing was one of his passions and a colt he owned won the 1977 Florida Derby.

From 1965 to 1969, he was associate national director of the American Jewish Committee. From 1969 to 1973, he was vice president of Brandeis University.

Last month, President Ronald Reagan named Mr. Perlmutter as a recipient of the Presidential Medal of Freedom, the nation's highest civilian award.

**Other deaths:**  
Peter Gimbel, 59, an underwater photographer who over three decades explored and filmed the wreck of the Italian liner, Andrea Doria, which sank in 1958, of cancer Sunday in New York City. He was the son of Bernard Gimbel of the Gimbel Brothers department store chain.  
Dr. Thomas F. Waddell, 49, one of the founders of the Gay Games for homosexual athletes in 1982 and a sixth-place finisher in the decathlon at the Olympic Games in 1968, in San Francisco on Saturday from complications related to AIDS.

# New York City's Strange Bedfellows

By Elizabeth Neuffer  
New York Times Service

NEW YORK — Up on the Throgs Neck Bridge, the rare peregrine falcon nests among beams and girders while New York City's traffic rumbles nearby.

Beside the busy West Shore Expressway in Staten Island, the rose-pink — a flower not spotted in the New York City area for a hundred years — blooms.

In the shadow of Kennedy International Airport, the endangered Atlantic ridley turtle paddles in the waters of Jamaica Bay.

And, to the surprise of some city naturalists, the distinctive leopard frog has been heard on Staten Island.

These rare species exist in the city, against all odds, along with skyscrapers and commuters. Of the 34 names on New York State's endangered species list, the city is home to at least five.

"New York City has a good representation of endangered as well as common species," said Robert Miller, a biologist with the state Department of Environmental Conservation's Endangered Species Unit. "The city is unusual in terms of wildlife generally. It's got varied habitats

even though it is densely populated." The peregrine falcon has made the most impressive adaptation to the city. Two pairs of the falcons have been nesting on the upper reaches of the Verrazano and Throgs Neck bridges since 1981.

"Traffic doesn't seem to bother them," said Mark King, a staff specialist in the Endangered Species Unit.

Once abundant in the Northeast, the peregrine falcon became extinct in the region more than a decade ago. Since 1974, when a program was started to reintroduce the bird to states from Washington to Maine, 900 baby falcons born in captivity have been released.

Surprising ornithologists, they chose to nest not only in the wild, but also on New York City's bridges, whose upper stanchions are a substitute for the rocky ledges where they normally live.

The city is not without other surprises. Hiking on Staten Island, a botanist, Richard Lynch, recently stumbled across rose-pinks, flowers not seen in the city for over 100 years.

"I almost fainted," said Mr. Lynch, who works for the city Parks Department helping to

breed and re-establish endangered plant life.

The rose-pink is one of the rare plants that have been discovered in the city over the last few years, he said. Others include the soapwort gentian, a blue flower with a white throat, also found on Staten Island, and the green and purple milkweed, which is found in Pelham Bay Park in the Bronx.

The ridley turtle, which is considered the most endangered sea turtle and one of the most threatened of the world's endangered species, has been spotted over the last two years in Jamaica Bay and in Dead Horse Bay in Brooklyn.

The ridley is endangered because it nests in only one spot in the world, a beach in Mexico, where the population of nesting females has dropped from 40,000 to less than 500, according to Sam Sadove, of the Okeanos Ocean Research Foundation. The organization, which is based in Jamesport, New York, studies endangered marine mammals in New York State.

Mr. Sadove and his colleagues surmise that once hatched in Mexico, the baby turtles ride the Gulf Stream up to Long Island Sound.

# Deaver: Unmaking of the President's Man

By Marjorie Williams  
Washington Post Service

WASHINGTON — For the record: That was not Michael K. Deaver's limousine on the cover of Time magazine.

The car, in which Mr. Deaver chatted into a phone implicitly connected to the Capitol building in the background, was rented for the shot — the perfect setup for the words ultimately superimposed in the foreground: "Who's This Man Calling? Influence Peddling in Washington."

As Mr. Deaver's brother said, "It wasn't even his car, that was the worst part of it. Mike had a Jaguar at the time."

Without doubt, the March 3, 1986, cover of Time is to Mr. Deaver as the vicuña coat was to Sherman Adams, as the yacht named Monkey Business was to Gary Hart; the salient detail that will stalk him through time, a shorthand allusion to the destruction of a public man.

In his acquaintance with that photograph is all the themes raised by friends, detractors and former associates who try to explain the long rise and free fall of Michael Keith Deaver.

The 49-year-old former White House deputy chief of staff went on trial Monday to answer five counts of perjury said to have taken place in testimony before a congressional subcommittee and a grand jury.

Whitney North Seymour Jr., the independent prosecutor whose 10-month investigation led to Mr. Deaver's indictment in March, did not produce any charges that Mr. Deaver violated ethics laws governing a former official's lobbying activities.

Thus the trial will not directly address the offense for which Mr.

Deaver was suspected — peddling to clients the high prices he derived from his 19-year-old son's name, Ronald Reagan's closest aide.

Not will it address Mr. Deaver's sin, as the gentle folk of Washington see it. This is the realm in which he has already been tried and found guilty, but has only begun to serve his sentence: for how he used his power while he was in the White House; for his ways of losing friends and making enemies; for weaknesses of character, will or intellect; above all, for misunderstanding the rules of the game.

"I think he's had the fastest rise and the fastest fall ever in this town," said a former White House political director, Edward J. Rollins.

Mr. Deaver is described most vehemently as a man who destroyed himself through arrogance and envy; most mildly as an unusually vivid example of the bad things that happen to people who do not return their phone calls; most passionately as an appropriately ambitious son of the middle class who was living out a Reaganite dream of success when he was waylaid by resentful others; and most compassionately as an insecure loner who became a solitary drinker who became a recovering alcoholic, a man who might yet find some measure of personal, if not public, redemption in the calamity he invoked.

But always, he is described as an image maker whose sin was to lose control of his own public relations.

Mr. Deaver, at his lawyer's advice, has not granted interviews for recent articles. His brother, Bill, spoke on his early years. "Once in awhile I read an article that says we were poor, and it irritates me, because I don't think we never really thought of ourselves as being poor," he said.

He was responding, implicitly, to



Michael K. Deaver

a theory about Mr. Deaver's undoing: that he grew up too hungry to keep his head in an administration staffed by the wealthy.

Bill Deaver talks sparingly of their childhood in Bakersfield, California — and in Madras, Riverdale, Arvin and Mojave, the desert town where their parents finally settled in 1948. Their father, Paul Deaver, sold Shell Oil products and got transferred every few years until he quit to work with a Shell distributor and bought a Mojave service station.

Michael Deaver "pretty much put himself through" San Jose State University, managing his fraternity house during the summer and playing piano. He majored in political science after considering journalism and the Episcopal priesthood. After graduating in 1960, he worked for a year and a half as an administrative trainee with IBM and served in the Air Force Reserves.

In 1962, the Santa Clara County Republican Party hired him as executive director, a job that involved the low-level work of directing volunteers and organizing precincts. He was well liked by the older men he worked for. Three years later, the Republican State Central Committee hired him to handle several coast counties in its drive to recapture the state legislature.

In that role he came to the attention of William P. Clark, who was Ventura County chairman and who introduced him to the Reagans.

Mr. Deaver's relationship with the Reagans is in some respects the key to the man.

Mr. Clark invited Mr. Deaver to work on Mr. Reagan's transition team in 1966, after Mr. Reagan defeated Governor Edmund G. Brown, a Democrat. When Mr. Clark became Mr. Reagan's cabinet secretary, Mr. Deaver became his deputy; later, when Mr. Clark moved to executive secretary, Mr. Deaver moved with him.

Mr. Deaver's role in those years evolved into the one he would carry on to Mr. Reagan's campaigns and the White House: the gatekeeper, the detail man, the aide who looked after the personal staff and who without question had Mr. Reagan's best interests at heart.

In an administration largely staffed by neophytes, "Mike fit in well," said Sal Russo, a political consultant; Mr. Deaver was "basically conservative, not deeply ideological."

Mr. Deaver also earned the trust of Nancy Reagan. By some accounts, it was his 1968 marriage to Carolyn Judy that sealed the relationship. Miss Judy had worked with Mrs. Reagan on a state arts council, Mr. Russo said.

Mr. Deaver spent 19 years — broken only by a period of four months — working for Mr. Reagan. The break came in 1979 when he ceded a power struggle to John P. Sears, who had been hired for the 1976 Reagan campaign on Mr. Deaver's recommendation.

Several months later, after his victory in the New Hampshire primary election, Mr. Reagan dismissed Mr. Sears as campaign manager. Mr. Deaver then returned to the campaign. Most who know Mr. Deaver call this episode a crucial one in his career.

After the 1980 victory, Mr. Deaver was torn about whether to join the administration in Washington. The phrase "kicking and screaming" is often used to describe his surrender.

Tomorrow: The Washington transformation.

# Vatican Gains in Third World Clergy

By Roberto Suro  
New York Times Service

ROME — Priests from Asia and Africa might someday have to look after Roman Catholics in countries that once sent off hordes of missionaries, as Vatican documents show a rapid growth in the number of priests in Third World countries amid a continuing decline in Europe and the United States.

Over the last decade, young men in South America, Africa and Asia have been joining the priesthood at a pace that notably exceeds the rate of population growth, indicating that the priesthood has a special appeal in those regions. But elsewhere, there are not enough new recruits to compensate for the number who are dying or leaving the priesthood.

If the geographical shift in the clergy continues, a recent report by the Central Statistics Office of the Roman Catholic Church predicted,

"in a not distant future it will be necessary to redistribute new priests in areas other than where they were born."

This report and other statistical studies, recently released by the Vatican, show that on a worldwide basis the church appears to have recovered from the manpower crisis it suffered in the 1970s.

In general, far fewer men are now leaving the priesthood, and the number of men studying for it rose 41 percent in the last decade.

In 1985, the latest year for which the Vatican has statistics, 533 diocesan priests were ordained in the United States, a figure second only to Poland, which ordained 703. But from 1970 to 1985, the number of young men studying for the priesthood in North America dropped by 43.7 percent, according to a study published by L'Osservatore Romano, the Vatican newspaper.

In Africa and South America, the number of seminarians increased by 88 percent from 1970 to 1985. With substantial growth in India, Korea, Japan and the Philippines, Asia registered an increase of more than 55 percent.

L'Osservatore Romano calculated that in 1995 about 15 percent of the world's priests would come from Africa, compared with 5 percent in 1970. Instead of producing half the Catholic clergy, Europe will have only a quarter, and North Americans will drop from 19 percent of all priests in 1970 to about 7 percent.

The regions where the clergy is growing fastest also have the populations that are expanding most rapidly, but the Vatican statistics show that the increase in the number of men beginning priestly studies substantially exceeds the rate of population growth.

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# INTERNATIONAL **Herald Tribune**

## For a Global Farm Fix

**While the U.S. Congress backs into a policy of protecting falling industries, Reagan administration officials are pursuing constructive fixes for America's trade woes. The president offers a plan for restoring trade leadership for the largest and most efficient U.S. industry: agriculture.**

The bold proposal is to eliminate all barriers to trade in farm products by the year 2000, and it will not be an easy sell, at home or abroad. But it is the one trade initiative that promises an enormous payoff for both American producers and consumers.

The plan, offered to negotiators in Geneva, would allow income assistance to rural families as long as the aid did not create incentives for greater harvests. Aid for the poor, like food stamps and Food for Peace, would also continue. But all other programs affecting supply and demand, everything from price supports to guaranteed credit, would be phased out within a decade.

In Japan, where farmers receive three to five times the world price for rice, wheat and beef, few would be able to stay in business. But actual hardship would be reduced. Farming is part-time work for the great majority of Japanese in rural areas.

European farmers would suffer a much harder blow. They do not enjoy as much protection as their Japanese counterparts but there are a lot more of them, and the social displacement would be far greater. Still, these prospective costs would be more than offset by spectacular savings. Europe-

## Adjusting the Truth

As the ineffectual Iran-contra saga continues into a new week, we have a question: Why has it evidently become so difficult for the folks over at the White House to speak the truth on any aspect of this matter, including even relatively trivial ones?

The president is said to be dejected by polls showing that a large proportion of the public does not believe he is telling the truth. But consider what has been offered the public. It is hard to remember or to believe, with all the contrary information we have received, that at the outset Mr. Reagan said there was no truth to the stories that the United States had been providing arms to Ayatollah Khomeini, then that he had not known what was going on, that all the arms would have fit in a single plane, and so on.

His aides, in an incredible act of folly and arrogance, prepared phony briefings for him so that he went before the people in both a speech and a news conference and said things that were demonstrably untrue. Mr. Reagan, tangled up in all this general mendacity, then took a new tack as the contra connection developed. It was that the key repository of information on the whole operation was Lieutenant Colonel Oliver North, that he — the president — was burningly eager to get the full story from Colonel North, but that he respected the colonel's

## Three Forward, One Back

The U.S. Senate has taken three steps forward and one backward on important amendments to its trade bill. The forward steps, sponsored by Senators Bill Bradley and Phil Gramm, give the president essential flexibility in dealing with import competition. The bipartisan step backward, co-sponsored by the Senate leaders, Robert Byrd and Bob Dole, waters down the House's Gephart amendment but remains misguided.

Mr. Gephart's amendment, guaranteed veto-bait, targets Japan and a few other countries with large surpluses in trade with America and allegedly unfair restrictions on imports. It threatens massive retaliation unless they set things right. The Byrd-Dole version still aims at removal of restrictions, but thunders less about what America would do to get even. Both versions imply, wrongly, that there is a fair way to determine unfair restrictions and to measure the impact. Both pretend, presumptuously, that foreign consumers would gobble up American goods if only their markets were open. Neither one allows that America has unfair restrictions too — lots of them.

The Senate seemed about to further restrict presidential flexibility when Senators Bradley and Gramm intervened. The original Senate bill would have ordered the pres-

## Too Many Close Calls

Perhaps 1987 will be merely The Year of Close Calls for airplane travel, but the news from the skies these days is not at all comforting. The latest certified horror story involved a Delta Air Lines jumbo jet that drifted 60 miles (about 100 kilometers) off course over the North Atlantic and came within 100 feet (30 meters) of colliding with a Continental Airlines jet on Wednesday. Some witnesses now charge that the Delta flight crew attempted to cover up this incident: a U.S. Air Force jet was in the area and taped a radio conversation reportedly revealing a cover-up attempt. As if this were not enough to chill travelers, there have been reports of a plane landing at the wrong airport and a near-collision involving jetliners about 800 miles south of New York City. What is causing all this?

Aviation safety officials cite all sorts of factors — starting with more air traffic. But more to the point are some conditions cited in a National Transportation Safety Board report on the collision in August of an AeroMexico jetliner and a small private plane near Los Angeles that killed more than 100 people. The board said inadequacies of the system for controlling traffic, rather than individual human errors, were the prime cause. The private pilot's airspace violation clearly was an element, but board members renewed their call for more measures to reduce the threat of in-air collisions.

The gist of these recommendations gets down to two basics: better equipment, better-trained people. Neither the Federal Aviation Administration nor the airlines can afford to look the other way. Lack is no substitute for maximum precautions.

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# A Terrible Sense of Responsibility for Us All

By Kathleen McCaffrey

**NEW YORK** — Within the dramatic legal forms of the French state trial of Klaus Barbie, time and experience were telescoped. That telescoping magnified the larger meaning of the trial of the Nazi who terrorized Lyon as Gestapo chief from 1942 to 1944.

As the witnesses — Jews and members of the French Resistance — approached the stand to testify, they seemed to pass into another zone. For them, it was not simply a question of memory, but of reliving days, months, years of agony, for the first time publicly since the war.

Barbie, the source of that agony and, at the trial, the symbol of the occupation, has fittingly been found guilty of crimes against humanity, and sentenced to life imprisonment.

Raymond Gnyon, a Resistance member as a young woman, was arrested and deported by

Barbie to Ravensbrück; her husband was tortured and shot. She slipped to the microphone trembling. "I feel I've just been taken back 43 years."

Vincent Plaque, organizer of a Resistance unit in Lyon, who was tortured and deported by Barbie, told the court in moving tones that he had never, until that moment, spoken of his sufferings — not even to his children.

The mission of Mario Bardon, as a Resistance fighter, had been to assassinate Barbie. Having nearly succeeded, he found himself before the SS chief in May 1944. Mr. Bardon told of 18 days of interrogation and torture, followed by deportation to Dachau. "I must tell here what many of the women, witnesses before me, have omitted through modesty," he said. He described sexual tortures. A shiver ran through the hall.

The next day, Mr. Bardon stood before rising to confront and identify Barbie for the first time since the war. Crimson with terror and rage, and deaf to the presiding judge's attempts to intervene, he pointed his finger and, taking several steps toward Barbie, shouted in a gasping voice: "Look at him! An SS stripped of his whip and machine gun! He's cowardice itself!" Back in his seat, Mr. Bardon buried his face in his hands.

As each witness testified, their anguish passed into the audience's collective consciousness. In the momentum of daily testimony, the trial became a catharsis for the survivors and those listening.

At times it was impossibly difficult to remain in the courtroom. Several witnesses told of the systematic murder of newborns at Auschwitz — injected with poison, drowned, thrown into a fire. What would were they describing, these survivors? Fortune Benguigui was the mother of three of 44 Jewish children deported, under Barbie's or-



BY HELOPOLORES in La Jernada (Mexico City). Cartoonists & Writers Syndicate.

ders, from a refuge at Izien, near Lyon. Himself a victim of Josef Mengele's medical experiments at Auschwitz, leaving her permanently disabled, the testified that in the camp she thought the saw her oldest boy, 12, in a column of children, new arrivals. Then he was gone. Her voice faded.

At such moments, there seemed an abyss between the victims and the audience. But at subsequent moments we felt connected: The courtroom had become one of the most intimate places in the world. During the recesses, small groups of observers and witnesses would gather. We would share fragments of missed testimony. We would search for words or would simply stand together in the large, silent space of the hall, known as "The Room of Lost Steps."

Perhaps we began to grasp what crimes against humanity meant: the violation of a taboo that precluded all other taboos. "Where you are going is worse than death," Barbie would tell his victims before deportations.

But if the full scope of crimes against humanity — dehumanization and genocide — defied comprehension, the mind also shrank from the knowledge that Barbie and others like him to this day still swear allegiance to the Nazi ideology.

That horrifying fact brought to mind the error of Kurt Waldheim's reception by Pope John Paul II at the Vatican and President Reagan's visit to the Nazi burial site at Birkenau, West Germany. We immediately became more keenly aware that political expediency can no longer be permitted to triumph over profound human suffering. In Lyon, the witnesses and survivors, speaking in the absence of the murdered millions, had transferred to us all a terrible responsibility.

The writer reported on the Klaus Barbie trial for Commonweal magazine. This comment first appeared in The New York Times.

# The Hearings: Good Box Office, but Bad for America

By Raymond Price

**NEW YORK** — A visitor from Mars — or from Europe — who tuned in the Iran-contra hearings might well wonder what on earth is going on here. What is the purpose? Why is the United States being put through the ringer by all these sanctimonious and solemn members of the House and Senate, with their hundreds of staff aides and lawyers and investigators and press-release writers, not to mention the armies of jostling reporters and cameramen and technicians and producers?

Is it really to find out what went wrong in the Iran initiative and in the use of funds from it to keep Nicaragua's democratic resistance alive? If anyone believes that, I'll quote him a terrific price from the Brooklyn Bridge.

If Congress's real concern were to learn the facts, it would have had the inquiry conducted behind closed doors by a subcommittee. That is what you do if you are serious about substance. But if your aim is political theater and you think you have the makings of a hit daytime soap opera, you stage a television spectacular.

There are two answers to the question of why: opportunism and fear. Opportunism by the president's opponents in Congress, who see a vulnerability and are out to exploit it; fear by the administration itself and its congressional supporters that if they show any less public enthusiasm than the Democrats for "getting at the truth," whatever the cost, they will be pilloried by the heavy-breathing news media and die the political death of a thousand cameras.

The business of Congress is politics. In a television age, politics is public theater, and anything that can lure the cameras of every network to a congressional hearing room, preempt regular programming and dominate the evening news is box office bono. Anyone who forgets these propositions risks missing the essence of the Iran-contra hearings.

Setting aside the entertainment value, what are Americans as a nation getting out of these hearings?

They are getting the compromise of intelligence sources and methods. They are getting an information equivalent of America's characteristically obsessive capacity for self-immolation. They are getting dismay among allies, and an object lesson for anyone who might be tempted to cooperate with America on sensitive matters on why it is lethally hazardous even to consider doing so. They are getting the distraction of already overburdened policy makers from their primary duties for months on end.

They are also getting a sapping of the president's — and therefore the nation's — ability to deal with real, immediate crises from the Gulf to the trade wars, and with issues as crucial to the long-term future of the West as

the defense of Europe and arms negotiations with the Soviet Union.

And if the left succeeds in torpedoing the administration's efforts to keep the resistance in Nicaragua alive, there is a risk of losing Central America and of an aggressively expanding Soviet foothold on the mainland of the Western Hemisphere.

It is no coincidence that the Iran-contra issue became a congressional obsession almost the moment the Democrats regained control of the Senate in last year's elections.

Theatrical hearings designed to lay bare the sins of the executive branch occur when, and only when, one party controls Congress and another holds the White House. In recent decades, Congress has been essentially a Democratic fiefdom.

Thus, we have had such hearings in the Nixon and Ford administrations (in the Ford years, a grandstanding Senate committee virtually destroyed the Central Intelligence Agency as an effective instrument of U.S. policy), and in the last two years of the Reagan administration, but not in the Kennedy, Johnson or Carter administrations. Nor did we have them in the six Re-

publicly, the United States will have one arm tied behind its back in a deadly serious struggle in that man's-land between peace and war.

With Congress behaving the way it does, we need more shrouded, not fewer. It is not just a matter of preventing "disclosure" of sensitive information. It is a matter of preventing abuse and distortion — with armloads of documents woodshed up to Capitol Hill, sifted, sorted and then those tidbits that might be perfectly innocent in context but look appalling out of context selectively leaked to an eagerly waiting press. The process not only produces the intended political embarrassment, it chills discussion, erodes trust, works immense hardship on innocent individuals and causes diplomatic havoc.

The United States has got to learn to act like a great power. But as long as Congress keeps dragging America down into the muck of its pettifoggish quest for political advantage, it will not be able to act as the times require.

The writer was a principal speechwriter for President Richard Nixon, including during the Watergate hearings. He contributed this comment to The New York Times.

# To North, Defiance Means Compliance

By Tom Wicker

**NEW YORK** — Accepting the gift of an expensive security gate, for which he later submitted phony documentation, was "probably the grossest misjudgment I have made in my life," Lieutenant Colonel Oliver North told the select congressional committees.

It was gross all right, but the "grossest misjudgment" No, that came when this military officer sworn to uphold the law decided that the president of the United States was above the law. Hence, as a member of the president's personal staff, the colonel also saw himself as above the law.

Colonel North believed all that when he concluded that the Boland amendment, duly passed by Congress and signed by Mr. Reagan, did not apply to the president or to his "personal staff." The amendment prohibited any entry of the government engaged in "intelligence activities" from using government funds to aid what the colonel likes to call the "democratic resistance" in Nicaragua.

(Never mind that the "democratic resistance" was organized by the CIA, has been supported primarily by U.S. funds and Colonel North's own testimony could not survive without U.S. and other outside aid.)

The colonel also believed that Mr. Reagan was above the law that requires a signed presidential finding to

authorize a "covert operation" by an intelligence agency. Not, he concluded, if the operation was to be carried out by the president's personal staff.

He even believed that Mr. Reagan's staff was not bound by the president's executive order restricting the legal requirement that a presidential finding be issued for any covert operation. No such finding, of course, was ever issued or signed for the diversion of profits from the arms sales to Iran.

Believing that none of these restrictions applied to the president, Colonel North did not violate it — and they didn't think they did because they didn't think it applied to them — they were observing its "letter and spirit."

By such doublethink, the colonel insisted to the committees that raising funds from foreign governments and private citizens in lieu of congressional appropriations was complying with the "letter and spirit" of the Boland amendment. His action in taking intelligence from the CIA or the Defense Department, which were forbidden to give information to the contra, and conveying it himself, also complied with "letter and spirit."

So did directing the "resistance" from the White House, and shredding documents relating to that effort before investigators could see them. So, too, was Colonel North complying when he provided oral inspiration and inside information to private donors who helped to arm the contra.

None of this was in defiance of Boland; it was just "getting around the problem" of Boland.

As Big Brother used to say in "Nineteen Eighty-Four," "War Is Peace." Colonel North now adds, "Defiance Is Compliance." Fortunately, his kind do not yet have Big Brother's power to make it stick.

for which the colonel reserved his real scorn. It legislated bad public policy, in his view, and therefore posed a "problem" for what he regarded, with Mr. Reagan, as good public policy. So the problem had to be "gotten around" by those like himself who understood what good public policy really required. And it could be "gotten around" because it did not apply to the president or to his staff.

Not only could the "problem" of the Boland amendment be "gotten around"; Colonel North and the other covert operators, in doing so, actually were observing the "letter and spirit" of the amendment. If they did not violate it — and they didn't think they did because they didn't think it applied to them — they were observing its "letter and spirit."

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# For the Saudis, the Oil Squeeze Is On

By Hobart Rowen

**WASHINGTON** — Since OPEC announced in August that it intended to resume its old tactic of holding back oil production, prices have jumped to around \$20 a barrel on the spot market, from less than \$10 at the low point last year.

The since-deposed Saudi oil minister, Ahmed Zaki Yamani, was then counseling a strategy of flooding the markets. His theory was that non-OPEC producers would be forced out of business and OPEC could ultimately resume higher pricing.

It did not work and Sheikh Yamani was fired. OPEC members then set a price target of \$18 a barrel and cut their output by about 20 percent last year. They agreed on a further 7 percent cut for the first quarter of 1987, with a ceiling of 15.8 million barrels a day.

OPEC's June meeting in Vienna, Sheikh Yamani's successor, Sheikh Husham Nazer, was congratulated by well-wishers for pushing prices up to \$18 by halving his country's production, according to The Economist of London.

"They did not point out," the article continued, "that he is thereby driving his country toward bankruptcy close to the agreed quotas. Notably, the Saudis came in under quota in February and March, offsetting excess production by Iraq and some others."

OPEC has been able to maintain an \$18 a barrel benchmark target, while cautiously missing the third-quarter production ceiling to 16.6 million barrels a day.

But how long can the Saudis, their cash reserves dwindling, keep

the Saudis could bring more revenue out of oil, the Saudis could become a major borrower. They have already been running down their monetary reserves.

Other OPEC countries also are in serious need of more oil revenue. Iraq, with a quota of 1.5 million barrels a day under the cartel agreement, is already producing 2.4 million barrels a day and is completing a second pipeline through Turkey.

Meanwhile, global oil consumption has risen far less than had been expected as a result of continued improvements in energy efficiency.

There has been a new surge of anxiety among Americans over increasing dependence on imported oil. One knee-jerk reaction calls for a duty on oil imports, the idea being that domestic production would be encouraged, while the higher resultant prices would cut consumption.

But a much cleaner way of achieving conservation would be a gasoline tax, which would also help cut the budget deficit. It is also time to do some other things: increase the fill-rate for the Strategic Petroleum Reserve; toughen standards for automobile mileage efficiency; and reverse the current backsliding on highway speed limits.

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## IN OUR PAGES, 75 AND 50 YEARS AGO

### 1912: Patriots Abroad

PARIS — [A reader writes:] Sebastopol, Russia, July 7. I am the only American and very few pass this way. I spent the Fourth of July without speaking a word of English except when I sang a song or just talked aloud in my room. I took one long chance as the clock struck midnight of the third and poked my six shooter out the window and blazed away. Then I jumped back in bed and waited for the police but none came. [Another reader asks:] Would some kind reader help poor thirsty Americans in Paris and tell us where we can get a refreshing American drink, soda water of some kind, without having to go into the heat, which is not proper for ladies alone. I only know of Fuller's, rue Daunou, and American biscuit shop, boulevard Malesherbes, where soda water can be had. Surely there must be more places than those.

### 1937: Gershwin Is Dead

NEW YORK — Funeral services for George Gershwin, composer, will be held here July 15. He died in Los Angeles (July 11) at the age of 38 after an operation for a brain tumor. Mrs. Morris Gershwin said she hoped to have her son famous "Rhapsody in Blue" played during the service.

HOLLYWOOD — One of the funniest doubles matches in the history of lawn tennis has inaugurated the luxuriously appointed tennis club at Beverly Hills, of which Fred Perry and Ellsworth Vines are joint owners. Perry was partnered by Charlie Chaplin and Vines by one of the Marx brothers, Groucho. Perry and Chaplin defeated the Americans 6-1, 9-7. During one long rally between Perry and Vines, Groucho went up to the net and started conversation with Chaplin. "Say, Charlie," he said, "can you lend me a magazine?"



OPINION

# Coming Together to Deal With the Young and Poor

By A.M. Rosenthal

**NEW YORK** — From time to time many of the complexities, strains and emotions involved in a bedeviling national problem come together in one place. Something like that happened the other day at New York's City Hall.

It had to do with small children devastated by poverty. They are a whole new class of Americans: abused, abandoned, many illegitimate, often homeless and wandering, the antithesis of the country's concept of itself. It is a true crisis

ON MY MIND

that affects not New York alone but every major city and many smaller ones.

Twenty or so men and women of strong heart and mind came together in an early 19th century chamber of great elegance to talk about this late 20th century reality of great ugliness. After a while you could see that three separate approaches were being advocated, and that although in some ways they were in conflict, the solution probably rested in melding the three. It was a hearing called by Senator Daniel Patrick Moynihan as part of his subcommittee's work on the disaster called the welfare system.

Andrew Stein, president of the city council, acted as co-chairman, and before them appeared clergy, educators, leaders of organizations working for the poor and a member of one of New York's oldest families with something on his mind.

All through the meeting the statistics of the crisis kept coming up, over and over — dreary, horrifying and inescapable.

In New York alone, 40 percent of the children live below the poverty line, a way of saying usually undernourished.

Licensed day care available for only one out of three children who need it, which means that 200,000 don't get it. And 80,000 New York children reported abused: beaten, abandoned, neglected.

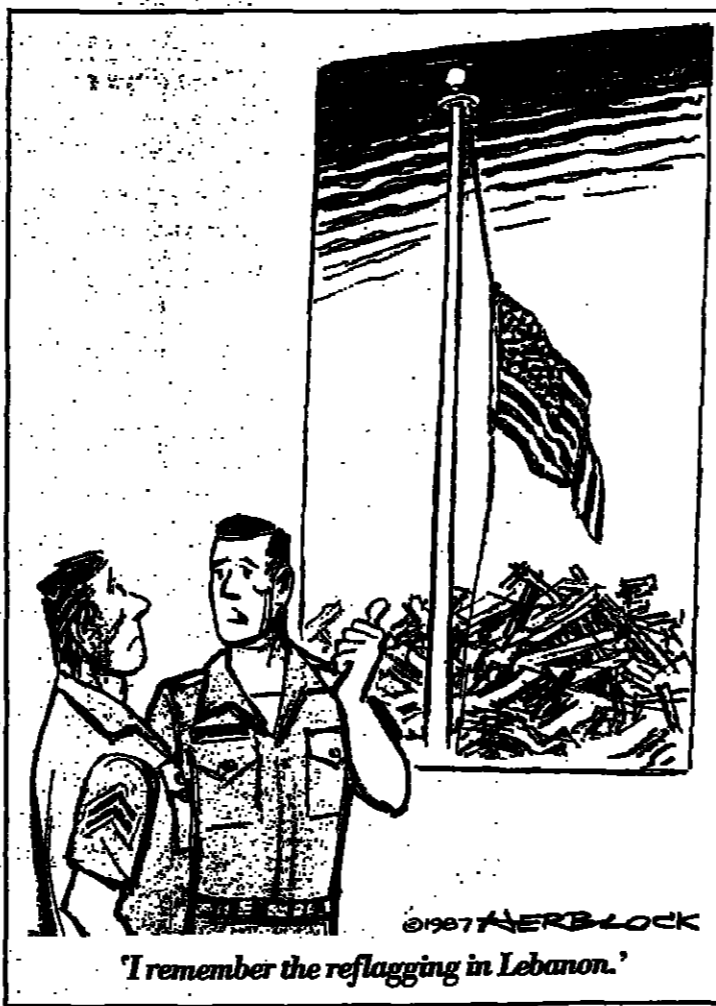
Thousands of children across the country wandering from home to home, sometimes with their mothers, sometimes from

Their Pay Is Too Low

**T**HE working poor in America have increased by more than a third in the last decade. The principal cause is the low wage paid to the breadwinner.

The poverty of 1.2 million families in which an adult works full-time throughout the year can be attributed to low wages. The poverty of others can be traced to family responsibilities that preclude full-time work by the principal wage earner. This is especially true for many of the 1.4 million working-poor, single-parent families. Policies to help the working poor are long overdue.

— Robert D. Reischauer, of the Brookings Institution, in the Los Angeles Times.



Gibraltar: Rebuild Trust and Respect Democratic Rights

*Regarding the opinion column "Gibraltar: The Anachronism Must End" (July 8) by Victor de la Serna:*

Gibraltar is for Britain a matter of living, democratic principle and not, as Mr. de la Serna asserts, one that we treat with condescension or lack of interest.

The overwhelming majority of the people of Gibraltar have repeatedly stated that they wish to retain their links with Britain. We have therefore given them an assurance, enshrined in their constitution and repeated in the agreement we signed with Spain in 1984, that sovereignty will not be transferred except in accordance with their democratically expressed wishes. Spain, which has so triumphantly vindicated the power of democratic government, surely does not wish to set aside the democratic rights of the Gibraltarians.

That, unfortunately, is what lies at the heart of the various "solutions" that Spain has put forward so far. Each of these would in practice pre-empt the right of the Gibraltarians to choose whether they wish to be part of Britain or of Spain.

No one can expect the Gibraltarians to forget overnight the long years in which Franco closed their border with Spain. But, through the new framework provided by the European Community, Britain,

# When Fish Turn Yellow and Birds Stay Away

By Kyle Jarrard

**CHANIERS, France** — The dozen or so jars of pears sit on the table, ready to be put away until winter. Last year there were two dozen; before that, usually three dozen. The man and woman who have been tending the orchard since the late 1960s say it is giving out, in a few years it will stop producing.

Granted, the orchard is old — how old no one can remember. In it remain about 25 scraggly cherry, plum, apple, peach and pear trees. The orchard has

in it, people bathed in it. The water rose and fell with the tides, which flushed pollutants out to sea. When the tide was out, springwater ran down the banks.

Now the river is more like a narrow lake. In the late 1960s a dam was built about 25 kilometers downstream at Saint-Savinien to control flooding, maintain a minimum water level for irrigation and supplement the drinking water supply for the area's towns.

The dam cut the river from the sea, stemming the tides. The water level here scarcely rises and falls, even under a full moon. Gone are the days of seeing the river fill and empty in a few hours. There is a current in the middle, but along its banks the Charente barely moves.

Flooding is still a problem, even though the gates at the dam are kept open in the winter months. This seems to be due mainly to increased runoff as more land is cleared and roads are built, decreasing the amount of water absorbed into the ground. In the unusually rainy winter of 1982, the Charente surpassed its record level of 1904, swelling to three kilometers across in places and causing damage to homes and farms.

Irrigation has boosted farm output, but with greater use of pesticides. Nitrates, phosphates and mercury from chemical fertilizers and city wastewater are increasing steadily in the groundwater and in the river. Industrial spills, too, have occurred upriver in recent years. Once, a great

wash of cognac came past here, blanketing the surface with dead fish. Together, the various foreign elements have lowered the amount of dissolved oxygen in the water, upon which fish depend in a choking process called eutrophication.

Algae are spreading, turning the river a deceptively beautiful emerald green, as are all sorts of other aquatic plants that thrive on pollutants. The authorities work at cutting growth in the shallows, but are losing the battle. The Charente is growing turbid with silt. Many of the springs that emerged in the banks flow more slowly, due to the mud and weeds, diminishing the infusion of fresh underground water.

Fishing is not what it used to be, though on any day you still see fishermen tramping around with their gear, or sitting on the bank for hours. They do catch fish, but fewer now. Some pike remain, scared and spotted; the eternal eels seem to be surviving, but are light yellow in color instead of dark green. One species disappeared, while another has appeared — and some people wonder why. Likewise, a half-dozen sea gulls used to fly up the river to feed here; now you don't sight a gull a week.

I asked the mayor in the village about the river. His answer was a soulful nod. Talking to the hardworking farmers, you get incredulous stares. They change the subject. The problem is too big to solve.

The view seems to be that, yes, the river is looking dirty lately. If it gets worse, then we'll just stop fishing in it. We'll go somewhere else on Sunday.

International Herald Tribune

MEANWHILE

never been treated with insecticides. Insect-eating birds did the job. To keep fruit-eating birds away, an old black sweater was hung up a high limb.

But the insects are winning now. The caretakers can recall species of birds that thrived on the insects but that have stopped nesting here. Just why is anyone's guess, but the caretakers think the answer lies down the hill at the river.

The valley of the Charente runs 360 kilometers (220 miles) from the Haute-Vienne department to the Atlantic. The river winds westward through a renowned wine-growing region. Here, 10 kilometers downstream from the city of Cognac and about 50 upstream from the sea, the low hills are covered with rows of vines and fields of sunflowers, wheat, corn, alfalfa and barley.

It was a healthy river that brought the birds, the caretakers say.

Fifteen years ago the Charente was relatively clean. Women washed clothes

LETTERS TO THE EDITOR

**Spain and Gibraltar can work together on the long-term task of rebuilding trust and confidence. The opening of the frontier in 1985, the return of Spanish workers to Gibraltar, the development of links between the mainland and Gibraltar — all these have shown what can be achieved. It was therefore regrettable that, at the last minute, the Spanish government sought to exclude Gibraltar from the European Community's package of civil aviation reforms. As well as preventing more than 300 million Europeans from benefiting from greater competition between European airlines, the Spanish action can only have an adverse effect on Gibraltarians' attitudes toward their neighbor and interrupt the healing process. Under European Community law, decisions of the community on civil aviation matters, among others, apply to Gibraltar.**

**What now needs to be done is to distinguish between Gibraltar's membership in the European Community — unequivocally set out in Article 227 of the Treaty of Rome and Article 27 of the Treaty of Accession — and the bilateral process of discussion and cooperation between Spain and Britain, aimed, in the words of the 1984 Brussels agreement, "at overcoming all the differences between them over Gibraltar."**

As far as Britain is concerned, we stand ready to take part in urgent talks with Spain to find a way around the problems that emerged at the June meeting of transport ministers, and to take forward bilateral discussions with vigor.

**P.J. ROBERTS,**  
Press Counselor,  
Embassy of Britain, Paris.

**What is extraordinary is not the fact that Gibraltar remains British, but that its people remain solidly pro-British despite Spain's threatening and clumsy foreign policy toward the colony.**

To state that this is due to economic well-being ignores the fact that Spain's closure of the land frontier from 1969 to 1982 hardened rather than softened the resolve of Gibraltarians despite the economic repercussions of that closure.

**MARK ISOLA,**  
Gibraltar.

A Solution for Cambodia

The opinion column "Hot and Cold Hopes for Cambodia" (June 17) by Murray Hiebert is an eye-opener and suggests a solution to the Cambodian conflict.

Nguyen Van Linh, the leader of the Vietnamese Communist Party, has linked a withdrawal from Cambodia to "the elimination of the genocidal Pol Pot clique."

No one can deny the atrocities committed by the Pol Pot regime from 1975 to 1978.

The UN Commission on Human Rights should investigate the Khmer Rouge massacres, after a Vietnamese withdrawal from Cambodia, and those found guilty — including those who have shifted their support to the Vietnamese-installed Heng Samrin regime.

or emigrated — should be brought to justice. They also should be excluded from participating in free elections.

Regarding the other condition, "the termination of all foreign intervention in the internal affairs of Cambodia," it could be achieved by adding the following in the next annual resolution of the UN General Assembly.

"Simultaneously, on the withdrawal of Vietnamese troops from Cambodia, and its replacement by the international peacekeeping force, China and Vietnam will withdraw their support from their protégé, namely Pol Pot's Khmer Rouge and the Vietnamese-installed Heng Samrin regime, and refrain from all forms of interference, direct or indirect, in the internal affairs of Cambodia."

Such a solution may bring peace to this unfortunate land, now soaked with blood and tears.

**K.L. BINDRA,**  
London.

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Netherlands Fl.	650	360	198	Fl. 1,21	Fl. 440
Norway* N.Kr.	1,800	990	540	N.Kr. 3,05	N.Kr. 1,110
Portugal Esc.	22,000	12,000	6,600	Esc. 64,56	Esc. 23,500
Spain* Ptas.	29,000	16,000	8,800	Ptas. 55,33	Ptas. 20,140
Sweden* S.Kr.	1,800	990	540	S.Kr. 3,05	S.Kr. 1,110
Switzerland S.Fr.	510	280	154	S.Fr. 1,10	S.Fr. 400
Rest of Europe, North Africa, former French Africa, Middle East \$	430	230	125	Varies by country	
Rest of Africa, Gulf States, Asia: \$	580	320	175		

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14-7-87

Key NATO General Supports Proposal for French-German Unit

By Peter Maass
INTERNATIONAL HERALD TRIBUNE
BRUSSELS — A top NATO general has described the proposed formation of a French-West German military unit as a "symbolic action" that should draw Paris closer to the alliance rather than lead Bonn away from it.

General Wolfgang Altenburg, chairman of the Military Committee of the North Atlantic Treaty Organization, gave a qualified endorsement of the proposal in an interview. His remarks, on behalf of NATO's chiefs of staff, give a boost to closer military links between West Germany and France.

General Altenburg was chief of staff of West Germany's armed forces from 1983 until 1986. "It's a symbolic action to improve and further foster German-French relations," the general said. But he warned that the brigade proposal "should be seen within the alliance, not against the alliance."

"I don't see this building up to a degree where it would in any way hamper" the West German commitment to NATO, he said. The comments by the general come as Bonn and Paris have been moving to step up defense cooperation, partly because of a perceived drop in the U.S. commitment to defend Western Europe.

General Altenburg also played down talk of a rise in U.S. isolationism, although he said Washington might withdraw a small number of troops from Europe in the next decade. He said such a cutback would not be substantial, however, since "that would be disadvantageous for the United States."

The general also expressed doubts about the protection Western Europe would get from the Strategic Defense Initiative, the U.S. plan for a space-based missile defense. General Altenburg argues that NATO needs to improve its conventional defenses if its nuclear deterrent is scaled back, but he does not suggest that the alliance's weaknesses in conventional weapons are fatal.

General Altenburg said that under the present circumstances the Soviets would be willing to get involved in the risks that we create for them with our conventional defense," he said. "But I want to make sure the risks are big enough."

General Altenburg argued that NATO needs to improve its conventional defenses if its nuclear deterrent is scaled back, but he does not suggest that the alliance's weaknesses in conventional weapons are fatal.

New Incident Could Widen Rift Between Iran, France

By Thomas Nerter
INTERNATIONAL HERALD TRIBUNE
GENEVA — An Iranian diplomat, who the Iranian authorities said was beaten by French border policemen, left a Geneva hospital Monday after treatment for what hospital officials termed minor injuries.

The incident, which occurred at the Geneva airport on Saturday, could deepen a controversy that has already sent French-Iranian relations to their lowest point since the Iranian revolution in 1979.

French and Iranian sources gave conflicting accounts of the airport episode, involving Mohsen Aminzadeh, 28, an official at the Iranian Embassy in Paris. Mr. Aminzadeh was in the French sector of the airport when the incident occurred, officials said.

According to the Iranian news agency IRNA, French border policemen beat Mr. Aminzadeh and took his diplomatic papers after he left the airport's customs area. IRNA gave no reason for the alleged attack.

Iranian officials were quoted as saying the incident represented a "blatant" violation of international relations. The French news agency Agence France-Press, quoting an "official source" in Geneva, reported that Mr. Aminzadeh declined to allow French border guards to examine his hand baggage, fell to the floor of the airport and began striking the floor with his head.

A Swiss Foreign Office spokesman in Bern, Lorenz Schwyder von Wartensee, said Mr. Aminzadeh was taken to Geneva's Cantonal Hospital by ambulance. He was treated and released Saturday night, according to a hospital spokesman, but returned on Sunday with a request from a doctor that he be re-admitted.

Hospital officials described the injuries to Mr. Aminzadeh as "minor," including bruises on his forehead. Mr. Aminzadeh's destination after leaving the hospital was not immediately known.

The incident occurred in the midst of a diplomatic standoff in which Prime Minister Jacques Chirac of France has warned that he might sever diplomatic relations with Iran. That dispute stems from the refusal of the Iranian Embassy in Paris to allow Wahid Gerdji, one of its employees, to be questioned in connection with a French investigation of a series of bombings in Paris in September. The bombings killed 13 persons.

In an interview with the French newspaper Le Monde, Mr. Chirac warned that France would resort to "all means necessary," including a break in relations, if Mr. Gerdji were not allowed to be questioned.

With the allies and seek conciliation on their own. This fact has been underlined by repeated West German objections that the prospective intermediate-range nuclear accord would leave NATO and Warsaw Pact ground forces within Europe armed with short-range weapons whose targets would lie in the two Germanys.

In addition, a French official warned that recent Soviet arms initiatives have set in motion "a dangerous dynamic" that could lead to Soviet suggestions for further reductions and perhaps even toward a denuclearized Europe. This prospect has raised concern in Britain. France and the United States, whose arms control officials point to the Warsaw Pact's numerical advantage in conventional and chemical weapons.

In West Germany, however, Mr. Kohl's government has favored following up on the prospective intermediate-range accord with talks on short-range weapons, or those under the 300-mile (485-kilometer) range. France and Britain, differing sharply with the Germans, have objected to this idea because, officials in Paris said, such negotiations could lead to Soviet demands for reductions in the French and British nuclear arsenals as well.



Experts See Little Chance of Criminal Convictions Against North

By Philip Shenon
New York Times Service
WASHINGTON — Federal law-enforcement officials and prominent defense lawyers say the special prosecutor in the Iran-contra affair could find it difficult and perhaps impossible to obtain criminal convictions against Lieutenant Colonel Oliver L. North and several other principals in the case.

The special prosecutor, Lawrence E. Walsh, was highlighted by Colonel North's congressional testimony. He added: "At least in terms of prosecuting North, I'd suggest Walsh pack up his bags and go home."

Law-enforcement officials and defense lawyers interviewed did not agree on the outcome of the special prosecutor's investigation. But by all accounts, Colonel North was a focus, perhaps the central focus, of Mr. Walsh's investigation.

The colonel's own lawyers said he was a likely target for criminal charges. However, Gail Alexander, a spokesman for Mr. Walsh, acknowledged there were "very serious problems" with the investigation.

Mr. Walsh is believed to be preparing prosecutions based on a broad conspiracy to violate federal laws. Lawyers say jurors may be confused by a case that appears to be so complicated and arcane.

Moreover, Mr. Walsh has warned for months that his investigation would be hampered by the decision of Congress to grant limited immunity to Colonel North and other witnesses in exchange for their testimony.

"I would think the average juror would find it very hard to convict someone like Colonel North," said James Bierbauer, a Washington lawyer. "He appears to be a good officer who was following orders from the president of the United States."

Colonel North's testimony might also be expected to aid other key participants in the Iran-contra affair, such as Richard V. Secord, a retired air force major general, and Albert Hakim, an Iranian-born businessman. In a conspiracy case, Colonel North and others would probably be tried together.

Prosecutors have also hinted that they may seek indictments based on more clear-cut crimes, such as obstruction of justice. Some lawyers said Colonel North's testimony might convince a jury that he believed he was acting within the law, in the best interests of the country and at the direction of President Ronald Reagan.

Mr. Walsh is considering charging Colonel North and others with conspiracy to violate a range of federal laws, including statutes designed to limit aid to the Contras and prevent misuse of government funds. Law-enforcement officials and others said that might be a very difficult case to prosecute.

Other witnesses in exchange for their testimony. "I would think the average juror would find it very hard to convict someone like Colonel North," said James Bierbauer, a Washington lawyer. "He appears to be a good officer who was following orders from the president of the United States."

Protests in Soviet Signal Glasnost Turning Point

By Gary Lee
Washington Post Service
MOSCOW — A burst of demonstrations here last week by groups representing some of the disgruntled and outcast of the Soviet Union has signaled an important turn in Mikhail S. Gorbachev's policy of glasnost, or openness.

Until recently, signs of openness were limited to exposes and criticism in some official newspapers and to movies and plays that dealt with topics once considered taboo in the Soviet Union, such as the abuses of power under Stalin.

But as Soviet dissenters heighten their profile with everything from private gatherings to demonstrations near the doorsteps of the Kremlin, so do their opponents, with the Moscow police using force and some officials using legal loopholes and other tactics to control dissident activity.

Defying a ban against them, 50 Soviet adherents of the Hare Krishna religious sect demonstrated in a central Moscow park on July 5. Chanting, singing and handing out food and information, they appealed to the public for support and touched off a week of similar actions by other groups.

The next day, for example, disgruntled Tartars took their grievances to the seat of Soviet power. Staging a sit-in on Red Square near the Kremlin, 30 representatives of the thousands of Tartars deported from the Crimea to Soviet Central Asia during the 1940s demanded that they be allowed to return to their homeland on the Black Sea.

The day after that a group of former political prisoners launched a new club, called Glasnost. Opening a living room in Moscow to all comers, they pleaded for penal code reform, including the repeal of laws limiting free speech.

The shift of protests from the letters columns of official organs of glasnost to the streets, and from private meetings to open forums, suggests that the policy has broad appeal and that some citizens are growing bolder in using it to push their causes.

In interviews last week, Hare Krishna adherents and former political prisoners acknowledged that they are taking public actions they would have avoided a few months ago.

"Even under glasnost, the areas in which public conversation and criticism are allowed have certain limits," said Lev Timofeyev, a former political prisoner and chief organizer of the Glasnost club. "We're trying to use the rights the policy of glasnost gives us to expand those limits."

One Hare Krishna follower who participated in a demonstration in the Sportivnaya section of Moscow said, "It's true that we feel freer to demonstrate because of the official positions supporting glasnost and democratization." The sect has been banned by the Soviet authorities and about 25 of its members are in prison.

Protesters say they have been supported by a number of official actions, such as the law passed by the Supreme Soviet last week calling for widespread public discussion of political issues.

There is an official move afoot to limit the spread of glasnost, however. Early in May, according to the Communist youth newspaper, Komsomolskaya Pravda, the Moscow police broke up a gathering of Soviet youths, who were compared to American hippies of the 1960s.

The article said that while the young people lay in the road to protest, the police began "toughly pushing" them into patrol cars, and one youth ended up in the hospital with a broken nose.

Fans in Madrid Pelt Bullfighter

Carro Romero, a bullfighter, was knocked to the ground by a fan Sunday night after he hesitated to kill a bull at Madrid's ring. Fans threw seat cushions at him as he left the ring under police protection.

Mr. Romero said the bull had poor eyesight and had been fought before, thus making him too dangerous to fight. The bullfighter was later questioned by police. A magistrate was to rule if he could be sued for breach of contract.

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Senators Lecture North

Two Democrats on the Iran-contra committee reprimanded Colonel North on Monday for his stubborn defense of secret aid to the Nicaraguan rebels, stressing that Americans can disagree with the president "and still love God and still love country," United Press International reported from Washington.

Colonel North sat silently while lawmakers often spent more time making speeches about the administration's covert Central American policy than posing questions. Generally, both Colonel North's critics and supporters, aware of the groundswell of public support for the Marine Corps officer, were cautious in their comments.

However, two Democrats — Senators George J. Mitchell of Maine and Paul S. Sarbanes of Maryland — lectured Colonel North that a key part of American democracy provides that a faction opposed to an administration policy can openly disagree without being considered traitorous.

"It is possible for an American to disagree with you on aid to the Contras and still love God and still love country as much as you do," Mr. Mitchell said. "God does not take sides in American politics."

Mr. Sarbanes read a quote from the late Justice Louis Brandeis of the U.S. Supreme Court: "The greatest danger to liberty lurks in insidious encroachments by men of zeal, well-meaning but without understanding."

They said they had come to pressure Kim Young Sam to demand the release of remaining political detainees, apparently unaware that he had made that demand already.

He moved the press conference elsewhere in the building while the protesters ejected journalists and said they would occupy the opposition headquarters for 24 hours.

About an hour later, another group of disgruntled citizens, high school teachers who said they were dismissed illegally for their political activities, also stormed the opposition headquarters and occupied part of the building.

Mr. Kim sounded tougher in talking with reporters about the government than he did two weeks ago when the ruling party accepted almost all of the opposition demands, including direct presidential elections.

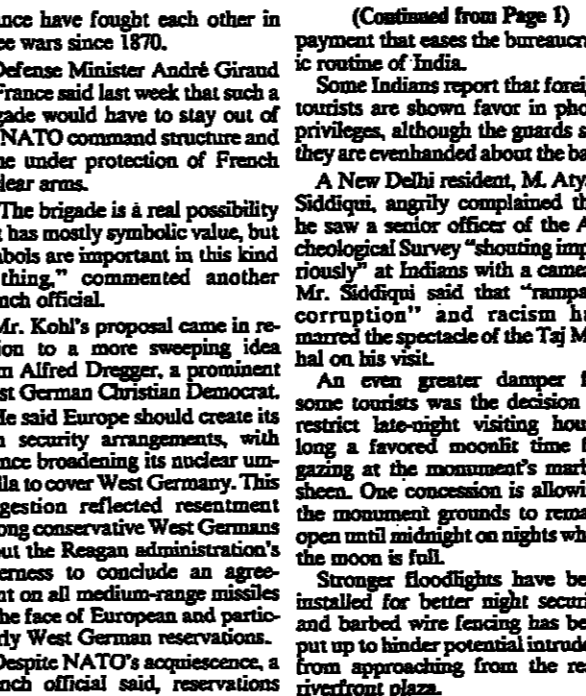
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ISRAELI PILGRIMS TO MECCA — Arab Israeli women boarded a bus Monday to cross the Allenby Bridge into Jordan on their way to the Moslem holy city of Mecca in Saudi Arabia. They are from the village of Kalansawa. About 1,500 Moslems crossed.



INQUIRY: Denial by President

(Continued from Page 1) absolutely correct." He added, "We will have to wait until the admiral gives us an answer."

Mr. Fitzwater said, "That memo never mentions diversions or residuals." He added that Mr. Inouye's earlier "characterizations of that memo, as they relate to the president, are totally inaccurate."

"The president was never briefed on diversions or any other excess funds," he said. He said he was confident that when Admiral Poindecker "testifies he will corroborate what the White House says."

Mr. Reagan has said previously that he was aware that the United States recouped the \$12 billion cost of missiles sold to Iran but that he was unaware of what happened to the rest of the money, and unaware that some of it was diverted to the Nicaraguan rebels.

In a speech to the National Association of Counties, Mr. Reagan reiterated that he was not trying to "divert attention from other events in Washington." "The truth is just the other way

around," he said. "There are those who would like to distract attention from the real business of government — putting an end to unrestrained spending."

He added, "Critics have claimed that in opposing our administration on the issues, they're at some kind of an unfair disadvantage — that this presidency is somehow based more on personality than on policy. Well, the truth is no president can remain popular unless he retains the fundamental support of the American people on the issues."

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around," he said. "There are those who would like to distract attention from the real business of government — putting an end to unrestrained spending."

DEFENSE: Europe Looks Again at Integrated Military

(Continued from Page 1) with the allies and seek conciliation on their own. This fact has been underlined by repeated West German objections that the prospective intermediate-range nuclear accord would leave NATO and Warsaw Pact ground forces within Europe armed with short-range weapons whose targets would lie in the two Germanys.

In addition, a French official warned that recent Soviet arms initiatives have set in motion "a dangerous dynamic" that could lead to Soviet suggestions for further reductions and perhaps even toward a denuclearized Europe. This prospect has raised concern in Britain. France and the United States, whose arms control officials point to the Warsaw Pact's numerical advantage in conventional and chemical weapons.

In West Germany, however, Mr. Kohl's government has favored following up on the prospective intermediate-range accord with talks on short-range weapons, or those under the 300-mile (485-kilometer) range. France and Britain, differing sharply with the Germans, have objected to this idea because, officials in Paris said, such negotiations could lead to Soviet demands for reductions in the French and British nuclear arsenals as well.

TAJ MAHAL: Tighter Security

(Continued from Page 1) payment that eases the bureaucratic routine of India. Some Indians report that foreign tourists are shown favor in photo privileges, although the guards say they are evenhanded about the ban.

A New Delhi resident, M. Atiyah Siddiqui, angrily complained that he saw a senior officer of the Archeological Survey "shouting imperiously" at Indians with a camera. Mr. Siddiqui said that "nonsense corruption" and racism had marred the spectacle of the Taj Mahal on his visit.

An even greater damper for some tourists is the decision to restrict late-night visiting hours, long a favored moonlit time for gazing at the monument's marble sheen. One concession is allowing the monument grounds to remain open until midnight on nights when the moon is full.

Stronger floodlights have been installed for better night security and barbed wire fencing has been put up to hinder potential intruders from approaching from the rear, riverfront plaza.

Officials also have shifted parking areas farther from the eastern and western gates, saying this should help guard against potential bit-and-run riders.

Apart from the threats of terrorist bombing, the main danger to the Taj Mahal, some Indians say, is the pollutants that have been drifting onto its shimmering surface in the industrial age.

A principal source is an oil refinery 25 miles (40 kilometers) northwest. Corrosive sulfuric acid from the plant is suspected of yellowing the Taj Mahal's white marble surface.

GULF: Iran Attacks French Ship

(Continued from Page 1) ing that some of the vessels would not meet all U.S. safety standards even after they entered U.S. registry.

The Ville d'Anvers apparently was not escorted by a French warship, although France keeps three navy vessels in the Gulf to protect ships flying its flag.

In Paris, a Defense Ministry official said the French warship Victor-Schoelcher was on its way to assist the container vessel, which later reached Bahrain for repairs.

But the sources said the tankers met international standards and had been passed by the Coast Guard.

The names Bridgeton and Gas Prince have been painted on the ships and their funnels have been given new colors.

With the attack on the French ship, a salvage operator said, "Iran is trying to prove that the United States and other navies cannot protect shipping properly."

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ESORTS & GUIDES INTERNATIONAL ESCORT SERVICE USA & WORLDWIDE BEIJING — Fang Lizhi, a prominent astrophysicist who was expelled from the Communist Party in January for championing freedoms, is better off not becoming involved in politics, the president of the Chinese Academy of Sciences, Zhou Guangzhao, said. Mr. Fang became a hero to students who demonstrated in December and January in more than a dozen cities to press for freedoms.

ARTS / LEISURE

Have Vuitton, Champagne, Perfume - Will Travel

Since he came to power in 1976, Racamier has changed Vuitton from a prestigious but quiet, 132-year-old artisanal family business into a luxury multinational.

PARIS — At 74, the tall and elegant Henry Racamier, president of Louis Vuitton, has finely chiseled features and the easy, urbane optimism that comes with success. Yet none of his professional life was spent at Vuitton, which he joined at retirement age. His only link to the firm was his marriage to Odile Vuitton, great-granddaughter of the founder, Louis.

A steel executive, Racamier sold his company, Stinox, and joined Vuitton 11 years ago, bringing in new, aggressive management and American-style business techniques. For Racamier, it sounds like a piece of cake. "Yes, I did come to the business a bit late. It was a question of circumstances. At the death of my father-in-law, Gaston Vuitton, in 1970, the business needed being taken in hand. He was the total boss. The family called on an American consultant. Then little by little, I was asked to help."

Since he came to power in 1976, Racamier has changed Vuitton from a prestigious but quiet, 132-year-old artisanal family business into a luxury multinational that he put on Paris and New York stock exchanges in 1984. The family still retains 65 percent of the shares. Racamier, who saw the untapped potential of the name, started expanding all over the world. "I found the best way to keep your public image was if you were the boss from the retail point," he said. "When we started, we had a superb name, an international reputation, but we were a small company. The name wasn't really used fully. We developed a retail network through stores which we control financially. We created new factories at the rate of one a year to feed all these new stores."

In 1977, Louis Vuitton had two stores; today there are eight stores, including one in the United States, 80 stores world-wide, including 20 in the United States, and 1,800 employees. Annual sales have grown from \$18 million in 1977 to \$300 million in 1986.

"In our luxury business, the idea was to maintain quality," Racamier said. "The most difficult thing was to train new workers."

But Racamier's claim to fame is that he has become an impressive corporate raider. Last June, Louis

Vuitton merged with Moët-Hennessy into an ultra- upscale empire in a transaction valued at \$4.1 billion. Last November, Vuitton acquired Vevee Cliquot, maker of champagne and perfumes, for \$750 million — a move rated as France's fourth largest takeover — and it has a 15-percent stake in Guerlain perfumes. Another acquisition is Loewe, the Spanish leather company.

"The world economy looks at the United States as a beacon," Racamier said, explaining this sudden appetite for takeovers. "What happens in the United States inevitably happens in France. The challenge for France's economy and industry is to re-invigorate old companies. France's financial system was too sluggish. France has started to deregulate its banks and put through other financial reforms to make this country more competitive with Britain and the United States."

"We try to avoid hostile takeovers," he added. "In America, it's turned into 'Dallas.' In France, we try to make deals with real economic substance." Of his merger with Moët-Hennessy, Racamier said: "We've re-organized by setting up

a holding company with two sub-holdings, one for Louis Vuitton and one for Moët-Hennessy. Each has its own personality and each will develop separately. But now, there is strategic coordination. The group has gained in scale. In fact, we're now the world's largest company in luxury goods. Vuitton now has a stake in wines and spirits which we didn't have before and Moët gets a luggage line."

What next? Givenchy couture, a logical move since Givenchy perfumes belong to Vevee Cliquot. "We're trying to buy the couture Givenchy," Racamier said. "I have great admiration for Mr. de Givenchy. He is a great designer and a gentleman." Whether negotiations will be completed before the next couture collections at the end of July is hard to tell. "It could take weeks and it could take days," Racamier said.

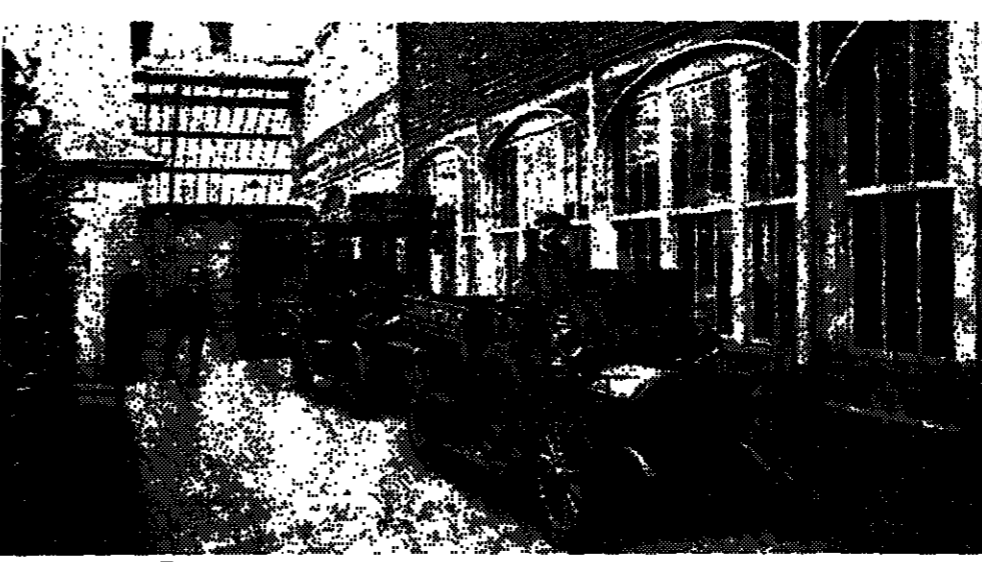
Through it all, the company created by Louis Vuitton, a sturdy man who reportedly walked all the way from his native Jura mountains to Paris, has not lost its creative edge. A major move was achieved in 1983 by the introduction of a new streamlined, minimalist line of luggage, "Challenge," after the challenger races for the 1983 America's Cup, of which Vuitton was a sponsor. A new and very successful line called "Epi," featuring vibrant colors, has also been launched recently. Last June, Louis Vuitton made a donation to the Musée des Arts Décoratifs for a travel retrospective called "L'Invitation au voyage," on until Aug. 30. "Vuitton, which has filled all kinds of custom-made orders, including in 1869 trunks with trays for carrying fresh fruit for the Sultan of Egypt, still takes special and very elitist orders. The latest one? A travel caviar case."



Joe Dorsey



Racamier, (above): an appetite for takeovers; (left) the art of traveling heavy, and modern, from the Vuitton archives.



Delivery vans leaving the old Vuitton factory in the 1930s.

Fine Words, Awful Building

HOUSTON — For some years this city has been American architecture's best weather-vane — the place that shows, at least so far as commercial design is concerned, which way the wind is blowing.

The collapse of the oil business has not changed Houston's attitude toward architecture. If two recently completed downtown projects are any indication, Houston still believes in razzle-dazzle; its new office towers may be largely empty during this downturn in the oil economy, but its skyline remains a monument to the notion of architecture as built enthusiasm.

This is surely the case with the latest tower to be built in the center of this city, a 53-story skyscraper called Heritage Plaza, designed by the firm of M. Nasr & Partners. Heritage Plaza sums up virtually everything wrong with American skyscraper architecture today.

Heritage Plaza has a glass and granite base, a reflective glass middle, and an exceptionally ornate granite top. The granite top looks as if it were pushing its way out of the glass misdirection, in the manner of a hand creeping out of a sheet in some sort of grotesque Hollywood special effect. This is really two buildings, a glass one and a granite one, and they have nothing to do with each other.

The press releases about the building speak of the "postmodern style, using classic elements and themes in a modern context." Fine words, dreadful building. Postmodernism has yielded plenty of good works, many of which are in Houston, as well as plenty of mediocre ones. If this movement has had any goal, it has not been to make discordancy or to turn architecture into a free-for-all, but to bring us back to certain fundamentals about architecture that orthodox modernism's rigid dogma had ignored. At its best, postmodernism is concerned with the sensual aspects of building as well as the cerebral ones, with the relationship of ornament and decoration to whole structures, with the relationship of buildings to each other and to the city in which they are set.

Oddly, there is something more pleasing about another less-than-distinguished addition to downtown Houston, the Wortham Center, the city's new performing-arts center. Designed by Morris-Aubry Architects (now known as Morris Architects), this huge brick building bespeaks a cautious classicism; its facade has a huge entry arch, rimmed in a five-part granite molding, along with blind oversize oculi,

or round windows, covered in brick, more arches and various thin, horizontal brick moldings. It is cautious because it is a bit too stripped-down, too simple; it seems to want to be something more refined than it is. The building does have a wonderful kind of oomph that is just right for Houston.

Sitting back behind a formal plaza, the Wortham Center clearly has the air of a traditional civic building, and that, too, is something in its favor, though this structure is also very much a theater for the automobile age, with one entrance off a covered motorway. Coping with cars, of course, remains the curse of downtown Houston, and it is as severe now as ever.

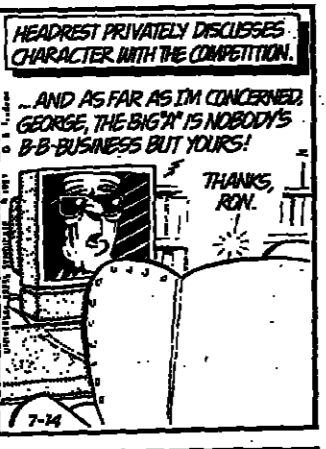
In the end, the Wortham Center, for better or worse, tells us more about Houston than it does about architecture in general. With Heritage Plaza, however, the meaning is broader. This skyscraper with a split identity does remind us that Houston, now as before, is where we can most easily take the temperature of U.S. commercial architecture. It stands as a symbol of the confused architectural ambitions of this moment, not only in Houston but everywhere.

In Frankfurt/Wiesbaden, your preferred choice is Hotel Nassauer Hof

The Nassauer Hof is located in downtown Wiesbaden, 20 minutes from the Frankfurt Airport. The hotel, with its luxuriously furnished guest accommodations, is opposite the Gambling Casino, the Kurgardens and the Opera.

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DOONESBURY



Purcell Nightmare

By William Weaver

FLORENCE — The 50th Maggio Musicale, almost two months of music and dance, debate and art shows, has presented a rich program, as always, and as always there have been ups and downs. The concluding production of Purcell's "Fairy Queen," has to be classified, for the most part, among the latter.

A staging of "Fairy Queen" in the enchanted Boboli Gardens, looked on paper like a great idea. And Luca Ronconi, the director, though he has lately churned out a number of gimmicky and tedious versions of operas, is still remembered for his magical theater work based on Ariosto's "Orlando Furioso," akin to the Renaissance world of Shakespeare's "Midsummer Night's Dream," which is the inspiration for Purcell's music.

But, as it turned out, Ronconi relied on his cheap tricks, and the "Dream" became closer to a nightmare. Having decided on the charming early-19th-century Italian translation of the "Dream" by Michele Leon, the director then chose a remarkably inelegant bunch of actors, encouraged them to ham and bawl, and he ineptly mixed all the voices, so that while you saw bodies moving, the voices remained fixed, all from the same source. At times, it was hard to tell who was speaking. And, along with all this, there were rasps and rustles, thumps and scratches, suggesting some of the funnier moments of "Singin' in the Rain." Except that it was not funny.

The gardens, refreshed by an afternoon rain, were at their loveliest, and made the scenic elements (some fake statuary by Luciano Damiani wheeled in from time to time) look tawdry and intrusive.

Purcell's music is sublime, but — compared with the spoken text — it is skimpy. Here it was well performed: knowingly and elegantly conducted by Roger Norrington, sung by such stylish artists as Jill Gomez, Maltwyn Davies and Lesley Garrett. But their efforts were inevitably overshadowed by the aggressive, cumbersome staging.

To add to the spectator's physical discomfort — the square of foam rubber distributed to each member of the audience was an inadequate 'buffer' against the hard bleachers — an army of photographers, some with walkie-talkies, swarmed everywhere, arrogantly clicking and whirring. After three acts, at midnight, faced with a 40-minute intermission and two more acts, this reporter admitted defeat and headed for a more peaceful garden.

William Weaver is a writer and translator who lives in Italy.

Advertisement for POMBIA gin: THERE'S ONLY ONE GIN FOR THE WELL-INFORMED.

Advertisement for 'The Food Lover's Guide to France' by Patricia Wells. Includes book cover image and contact information for International Herald Tribune Book Division.

Vol.	High	Low	Last	Chg.
AT&T	22 1/2	22 1/4	22 1/2	+1/4
IBM	172 1/2	172 1/4	172 1/2	+1/4
Amgen	17 1/2	17 1/4	17 1/2	+1/4
Amgen	17 1/2	17 1/4	17 1/2	+1/4
Amgen	17 1/2	17 1/4	17 1/2	+1/4

NYSE adv. 4 p.m. volume	152,440,000
NYSE adv. 4 p.m. volume	20,147,100
Amex adv. 4 p.m. volume	11,100,000
OTC adv. 4 p.m. volume	17,743,000
NYSE volume up	14,231,100
Amex volume up	1,743,000
OTC volume up	43,779,000
NYSE volume down	1,111,000
Amex volume down	1,111,000
OTC volume down	1,111,000

High	Low	Close	Chg.
Composite	172 1/2	172 1/2	+1/4
Industrial	172 1/2	172 1/2	+1/4
Utilities	172 1/2	172 1/2	+1/4
Finance	172 1/2	172 1/2	+1/4

**Mondays**  
**NYSE**  
Closing  
Via The Associated Press

Class	Prev.
Advanced	100.00
Declined	100.00
Unchanged	100.00
Total Issues	100.00

Class	Prev.
Advanced	100.00
Declined	100.00
Unchanged	100.00
Total Issues	100.00

Vol.	High	Low	Last	Chg.
Amgen	17 1/2	17 1/4	17 1/2	+1/4
Amgen	17 1/2	17 1/4	17 1/2	+1/4
Amgen	17 1/2	17 1/4	17 1/2	+1/4

Class	Chg.
Bonds	+0.09
Utilities	+0.08
Industrials	+0.02

Class	Prev.
Advanced	100.00
Declined	100.00
Unchanged	100.00
Total Issues	100.00

Buy	Sell	1987
July 9	27,272	1,171
July 7	27,197	45,043
July 6	26,197	49,289
July 4	26,127	49,289

Open	High	Low	Last	Chg.
Index	245 1/2	245 1/2	245 1/2	+1/4
Trans	100 1/2	100 1/2	100 1/2	+1/4
Comp	71 1/2	71 1/2	71 1/2	+1/4

Class	Prev.
Advanced	100.00
Declined	100.00
Unchanged	100.00
Total Issues	100.00

Class	Prev.
Advanced	100.00
Declined	100.00
Unchanged	100.00
Total Issues	100.00

High	Low	Open	Chg.
Index	100.00	100.00	+0.01

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High	Low	Stock	Div. Yld. %	PE	12 Month High	Low	Stock	Div. Yld. %	PE
22 1/2	22 1/4	AT&T	5.2	10.5	172 1/2	172 1/4	IBM	5.2	10.5
17 1/2	17 1/4	Amgen	5.2	10.5	17 1/2	17 1/4	Amgen	5.2	10.5
17 1/2	17 1/4	Amgen	5.2	10.5	17 1/2	17 1/4	Amgen	5.2	10.5
17 1/2	17 1/4	Amgen	5.2	10.5	17 1/2	17 1/4	Amgen	5.2	10.5

# NYSE Slips in Moderate Trade

**United Press International**  
**NEW YORK** — Prices were narrowly lower at the close of the New York Stock Exchange on Monday in moderate trading after late buying cut steep losses.

The Dow Jones industrial average, which rose 19.29 last week, fell 3.02 to 2,452.97. In the early afternoon, the Dow was down nearly 17 points. Declines led advances by about a 9-7 ratio among the 1,965 issues crossing the NYSE tape at 4 P.M.

Big Board volume amounted to about 152.8 million shares, compared with 172.1 million Thursday.

Prices were mixed in moderate trading of American Stock Exchange issues and lower in over-the-counter trading.

Stocks opened lower and remained under pressure from profit-takers throughout the day. However, trading was subdued — volume was less than Friday's session — and when selling momentum did not build, buyers came in and substantially cut the day's losses.

The market's late-day performance was particularly remarkable because it occurred in an environment of soft bond prices and a slightly weaker dollar.

Leadership, which last week consisted almost entirely of so-called story stocks, issues identified as possible takeover or restructuring candidates, strengthened Monday to include technology and auto issues.

The interest in automakers indicated that "serious" institutional investors may be willing to return to the market as buyers, said Michael Metz, portfolio strategist at Oppenheimer & Co.

Traders said those investors who took profits early in the session did so because they believe the market, which is at near-record levels, is vulnerable to a setback.

Analysts said volume Monday was subdued partly because investors were waiting for the government's report Wednesday on the May merchandise trade deficit and for IBM's earnings report Tuesday. Expectations that the computer giant's profits may be higher than first anticipated sent IBM up 2 1/4 to 169 1/2 Monday.

"As IBM goes, very often so goes the market," said Alan Ackerman, senior vice president of Gruntal & Co.

AT&T was the most active NYSE-listed issue, unchanged at 29 1/4.

Pacific Lighting followed, slipping 1/4 to 53 1/4. IBM was third, with its 2 1/4-point advance leading the technology sector higher. Digital Equipment rose 4 1/4 to 163 1/4. Cray Research jumped 2 1/4 to 100. Honeywell climbed 2 1/4 to 82 1/4. Compaq Computer rose 1/4 to 44 1/4. Texas Instruments added 1/4 to 60 1/4.

Among autos, General Motors drove ahead 1 1/4 to 83 1/4. Ford jumped 1 1/4 to 103 1/4 and Chrysler added 1/4 to 36 1/4.

Texaco fell 1/4 to 44. Robert Holmes & Court reversed Friday that he has raised his stake in the company to 9.5 percent from 7.4 percent but there was skepticism about published reports that he might increase his portion to 15 percent.

The rest of the oil sector also saw profit-taking. Exxon slipped 1/4 to 93 1/4. Mobil lost 1/4 to 51. Royal Dutch slid 1 1/4 to 137 1/4 and Occidental Petroleum slid 1/4 to 37 1/4. Caterpillar Inc. jumped 1 1/4 to 59 1/4.

12 Month High	Low	Stock	Div. Yld. %	PE	12 Month High	Low	Stock	Div. Yld. %	PE
17 1/2	17 1/4	Amgen	5.2	10.5	17 1/2	17 1/4	Amgen	5.2	10.5
17 1/2	17 1/4	Amgen	5.2	10.5	17 1/2	17 1/4	Amgen	5.2	10.5
17 1/2	17 1/4	Amgen	5.2	10.5	17 1/2	17 1/4	Amgen	5.2	10.5
17 1/2	17 1/4	Amgen	5.2	10.5	17 1/2	17 1/4	Amgen	5.2	10.5

12 Month High	Low	Stock	Div. Yld. %	PE	12 Month High	Low	Stock	Div. Yld. %	PE
17 1/2	17 1/4	Amgen	5.2	10.5	17 1/2	17 1/4	Amgen	5.2	10.5
17 1/2	17 1/4	Amgen	5.2	10.5	17 1/2	17 1/4	Amgen	5.2	10.5
17 1/2	17 1/4	Amgen	5.2	10.5	17 1/2	17 1/4	Amgen	5.2	10.5
17 1/2	17 1/4	Amgen	5.2	10.5	17 1/2	17 1/4	Amgen	5.2	10.5



DAI-ICHI KANGYO BANK (SCHWEIZ) AG An expert in the Swiss bond market.

DKB: World's longest bank. We have your interests at heart. DAI-ICHI KANGYO BANK

TUESDAY, JULY 14, 1987

INTERNATIONAL MARKETS

Singapore Futures Exchange Emerges as One-Trick Pony

By PATRICK L. SMITH
International Herald Tribune
WHEN the Singapore International Monetary Exchange was launched three years ago...

Activity is very low in all but a single contract: Eurodollar interest rates.

Currency Rates

Table with columns: City, Bid, Offer, P.F., F.F., H.A., N.A., and various currency rates for London, Zurich, and other locations.

Interest Rates

Table with columns: Eurocurrency Deposits, Key Money Rates, and various interest rates for different terms and currencies.

CBS Inc. To Sell Division

\$650 Million for Magazine Unit

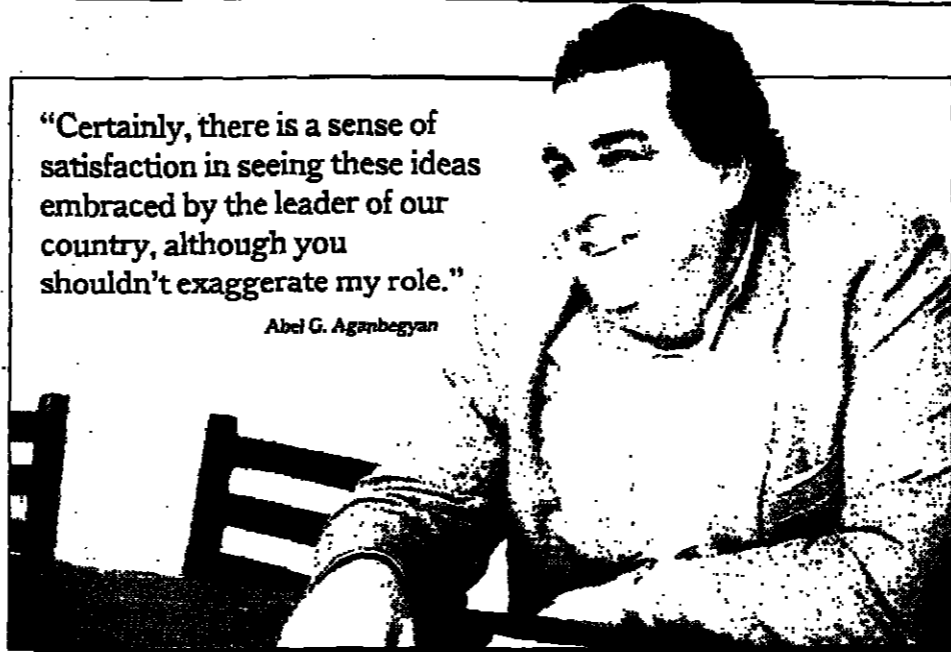
Compiled by Our Staff From Dispatches
NEW YORK — CBS Inc. has agreed to sell its magazine division for \$650 million...

The magazine division, which employs about 1,300 people, publishes Woman's Day, Field & Stream, Road & Track, Modern Bride and a variety of other special interest publications.

The sale would be financed by Prucapital Inc. and Prudential-Bache International, which are merchant banking subsidiaries of Prudential Insurance Co. of America.

Along with a small band of like-minded economists and sociologists who challenged the tenets of Soviet ideology...

The sale would continue the division set into motion by Lawrence A. Tisch, CBS's president and chief executive, and William S. Paley, its chairman.



Architect of New Soviet Economics Under Gorbachev, an Iconoclast Gains Influence

By Philip Taubman
New York Times Service
MOSCOW — Abel G. Aganbegyan, a key architect of Mikhail S. Gorbachev's audacious new economic program, likes to travel.

His longest journey, however, was one that traveled not space but conventional thinking, bringing him to the forefront of Mr. Gorbachev's campaign of radical change...

With Mr. Gorbachev as patron, Mr. Aganbegyan and his colleagues moved in the last two years into key government and academic positions, as advisers, spokesmen and an informal brain trust for the Soviet leader.

Soviet, in a Blow To U.S., Funds Commodities

By Paul Lewis
New York Times Service

GENEVA — In a new demonstration of the Kremlin's changing priorities, the Soviet Union said Monday it would join a United Nations program for stabilizing raw material prices...

The prices of most raw materials, on which many developing countries depend heavily for income, are at their lowest real level since the 1930s...

The price decline is compounding the Third World's debt and other economic difficulties, and contributing to a rise in hunger and poverty over much of the globe.

But the Soviet decision to join the commodity fund is widely viewed by Western diplomats as being of greater political than economic significance.

In addition, they say, it illustrates the new Soviet leadership's interest in playing an active role in international economic diplomacy.

Under the scheme, known as the Common Fund for Commodities, subscribing countries plan to create a \$750 million pool to support world commodity prices.

Bank of England Preparing an Index to Help Price Euro-CP

Bankers have estimated the combined size of the Euro-note and Euro-commercial paper markets at \$35 billion to \$40 billion.

Bankers said the Bank of England hopes that by coordinating the information it will be able to provide a clearer picture of amounts outstanding for the various sectors, and to obtain a better breakdown within the categories...

The Euro-note Association approached the Bank of England about creating the index last year because it realized that either a private firm or regulatory agency might decide such an index was needed.

However, in agreeing to the request, the bank also said it would need further data on the Euro-commercial paper market and the Euro-note market.

Both markets have experienced considerable growth over the past few years because of the contraction in the traditional market for syndicated loans, but there are no official figures for the amounts outstanding.

Japan Futures Snatched Up on LIFFE

By Nina Martin
International Herald Tribune

LONDON — A futures contract tied to Japanese government bonds debuted Monday to huge demand on the London International Financial Futures Exchange, marking a giant leap in the internationalization of yen markets.

Traders snatched up 36,500 contracts valued at 3.6 trillion yen (about \$23.89 billion), a daily record for a single contract on the exchange.

By comparison, daily futures trading volume for the entire exchange averaged 47,460 contracts for the first half of this year, and in a good deal of this year, and in a good deal of this year, the exchange's other major non-British futures contract, is about 8,000.

LIFFE's chairman, Brian Williamson, described the trading as "remarkable."

A LIFFE spokesman attributed much of the day's action to the "celebration effect," with Japanese securities houses and banks, who joined LIFFE in designing the contract over an 18-month period, seeking to give it a good launch.

Japanese securities houses have been promoting the contract heavily in Europe since May, and LIFFE has 29 Japanese seat-holders.

Some traders said the most surprising thing about the high volume was that much of it was generated by cross transactions, in which the same group buys and sells.

"It rather makes one think that some of the houses are a bit disappointed with demand and are pumping up the volume," said Oliver Lodge, who directs the futures department at Exco International PLC.

The introduction of the contract marks a crucial step in the internationalization of Japanese financial markets and underscores the importance of London as a financial market since last fall's Big Bang.

LIFFE is the first futures exchange to trade contracts based on the three most important government bonds: U.S., Japanese and British.

THE AUDEMARS PIGUET ROYAL OAK. NOTHING CAN EQUAL THE ORIGINAL.

Advertisement for Audemars Piguet Royal Oak watches, featuring an image of a watch and text: 'The Royal Oak. One of the greatest designs of the 20th century. Audemars Piguet. La plus prestigieuse des signatures.'

Net Asset Value on July 2, 1987. Pacific Selection Fund N.V. U.S.\$0.51 per U.S.\$1 unit. Pacific Selection Fund N.V.

MITSUBI & CO LTD. (CDR) advertisement with details on investment and interest rates.

SONY CORPORATION (CDR) advertisement with details on investment and interest rates.

Source: Reuters, Bank of Tokyo, Commerzbank, Credit Lyonnais.

Source: Reuters.

Amsterdam, 6th July, 1987.

Amsterdam, 7th July, 1987.

# Monday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High	Low	Stock	Div. Yld.	PE	52 Week High	Low	Change
120	110	IBM	3.2	12	140	110	+10
100	90	AT&T	4.8	15	120	90	+10
80	70	Amgen	2.5	18	95	70	+15
60	50	Amgen	2.5	18	75	50	+15
40	30	Amgen	2.5	18	45	30	+15

(Continued)

12 Month High	Low	Stock	Div. Yld.	PE	52 Week High	Low	Change
30	25	Amgen	2.5	18	35	25	+10
20	15	Amgen	2.5	18	25	15	+10
10	5	Amgen	2.5	18	15	5	+10

12 Month High	Low	Stock	Div. Yld.	PE	52 Week High	Low	Change
150	140	IBM	3.2	12	160	140	+10
120	110	AT&T	4.8	15	130	110	+10
100	90	Amgen	2.5	18	110	90	+10

Company	1st Quarter	2nd Quarter	1st Half	1986	1987
Amgen	Revenue: 1,200	Revenue: 1,300	Revenue: 2,500	Revenue: 5,000	Revenue: 5,500
Amgen	Profit: 200	Profit: 250	Profit: 500	Profit: 1,000	Profit: 1,100
Amgen	EPS: 1.0	EPS: 1.2	EPS: 2.5	EPS: 5.0	EPS: 5.5

### U.S. Futures

Via The Associated Press

July 13

Grains	Open	High	Low	Close
WHEAT (CBT)	1.45	1.48	1.42	1.46
CORN (CBT)	0.35	0.36	0.34	0.35
SOYBEAN MEAL (CBT)	12.50	12.60	12.40	12.55

### Livestock

CATTLE (CME)	Open	High	Low	Close
1000 lbs	75.00	76.00	74.00	75.50
FEEDER CATTLE (CME)	1.10	1.12	1.08	1.10
PORK BELTIES (CME)	42.00	43.00	41.00	42.50

### NYSE Highs-Lows

NEW HIGHS	NEW LOWS
Amgen	Amgen
Amgen	Amgen
Amgen	Amgen

### Benetton Offering Financial Wares

By Roberto Suro  
New York Times Service

ROME — After scoring major successes in making and retailing casual clothes, Italy's Benetton group is diversifying into financial services and merchant banking.

A new line of financial products was introduced last week with all the fanfare of a fashion house presenting its autumn collection. A newly formed financial-services company, In Holding, and its subsidiaries will offer portfolio management, insurance products, corporate finance and a range of investment vehicles.

Benetton's move follows efforts by other Italian companies, including Fiat and Montedison, to exploit what is seen as an open market in personal financial services.

Only in the last few years have small investors begun putting their savings directly into the Milan stock market or mutual funds.

Benetton's initiative also seeks to exploit newly relaxed rules on foreign investment by creating offerings, such as a blue-chip stock mutual fund, that will help Italians invest abroad.

Benetton hired Giovanni Franzini, 44, a former investment banking officer at Merrill Lynch in London, to lead In Holding.

The company has an accord for venture capital activities with Merrill Lynch and one in the insurance sector with Britain's Prudential. Italian owners 37 percent of Prudential's Italian assets.

In Holding, based in Milan, will be owned by the Benetton family's Edizione SpA vehicle. In Holding will be capitalized at 100 billion lire (\$75.2 million) by the end of this year.

Mr. Franzini said In Holding would try to take advantage of Benetton's retail network of more than 4,000 shops in 57 countries.

He said he hoped to have 100 sales agents in place in Italy by the end of this year and 300 next year. They would be especially useful in marketing the seven mutual funds that In Holding will create, well as consumer insurance.

Benetton has internationalized its retailing efforts and seems anxious to do the same with its capital structure. Benetton officials say they hope to see the parent group listed on the U.S. over-the-counter exchange soon and perhaps on the Tokyo stock market, as well as major European exchanges outside Italy.

### Food

COFFEE (NYMEX)	Open	High	Low	Close
Arabica	1.10	1.12	1.08	1.10
Robusta	0.85	0.87	0.83	0.85
SOYBEAN (NYMEX)	1.15	1.17	1.13	1.15

### Metals

COPPER (COMEX)	Open	High	Low	Close
3-month	1.50	1.52	1.48	1.50
SILVER (COMEX) <td>1.20</td> <td>1.22</td> <td>1.18</td> <td>1.20</td>	1.20	1.22	1.18	1.20
PLATINUM (NYMEX) <td>1.80</td> <td>1.82</td> <td>1.78</td> <td>1.80</td>	1.80	1.82	1.78	1.80

### Currency Options

Philadelphia Exchange	Underlying	Price	Call	Put	Settle
0.25	Yield	1.25	0.25	0.25	0.25
0.25	Yield	1.25	0.25	0.25	0.25

### Paris Commodities

SUGAR	High	Low	50 Ask	50 Bid
1500	15.20	15.10	15.20	15.10
1500	15.20	15.10	15.20	15.10

### London Commodities

SUGAR	High	Low	50 Ask	50 Bid
1500	15.20	15.10	15.20	15.10
1500	15.20	15.10	15.20	15.10

### Stock Indexes

NYSE	DJIA	NASDAQ	FTSE 100
2,850	1,200	1,500	7,000
2,850	1,200	1,500	7,000

### Commodity Indexes

Moody's	1987	1986
1,227.10	1,241.20	1,258.50
1,227.10	1,241.20	1,258.50

### Market Guide

Chicago Board of Trade  
Chicago Mercantile Exchange  
International Monetary Market  
New York Cotton Exchange  
New York Futures Exchange  
New York Mercantile Exchange  
New York Stock Exchange  
New York Stock Exchange  
New York Stock Exchange

### DM Futures Options

DM	High	Low	50 Ask	50 Bid
1.50	1.52	1.48	1.50	1.48
1.50	1.52	1.48	1.50	1.48

### U.S. Treasuries

Treasury	High	Low	50 Ask	50 Bid
1.50	1.52	1.48	1.50	1.48
1.50	1.52	1.48	1.50	1.48

### Spot Commodities

Commodity	Price
Aluminum	1.20
Steel	0.80
Wheat	1.45

### U.S. Treasuries

Treasury	High	Low	50 Ask	50 Bid
1.50	1.52	1.48	1.50	1.48
1.50	1.52	1.48	1.50	1.48

### S&P 100 Index Options

S&P 100	High	Low	50 Ask	50 Bid
1.50	1.52	1.48	1.50	1.48
1.50	1.52	1.48	1.50	1.48

### Tax Official Quits Following Uphear

WASHINGTON — Roger Moxley, assistant secretary for tax policy, who acknowledged that he had not gauged the full impact of moves to end a tax treaty with the Netherlands Antilles, is to return to private practice on Aug. 1, the Treasury department said Monday.

The announcement June 29 caused an uproar in the Euro-bond market because it meant that Eurobonds sold through the Netherlands Antilles would be subject to 30-percent withholding tax.

Last Friday, the Treasury announced that the tax exemption for outstanding Eurobonds would be maintained.

### Apple's Net Profit Up 65% in Period

The Associated Press  
CUPERTINO, California — Apple Computer Inc. reported Monday that net profit rose 65 percent in its third quarter. Apple said profit was \$33.3 million, or 40 cents a share, up from \$20.2 million, or 25 cents a share, a year earlier. Revenue rose 42 percent to \$637.1 million from \$448.3 million.

Products introduced within the last year represented nearly half of Apple's revenue in the quarter ended June 26, and profit margins were unexpectedly high, said John Sculley, Apple's chairman.

As Monday, NCR Corp. of Dayton, Ohio, reported a profit rise of 25 percent in the second quarter ended June 30, to \$98.6 million, or \$1.05 a share, from \$78.8 million, or 80 cents a share, a year earlier. Revenue rose 16 percent to \$1.36 billion from \$1.17 billion.

BUSINESS ROUNDUP

Chase, First Chicago Post Big Losses

Compiled by Our Staff From Dispatches
NEW YORK — Chase Manhattan Corp. and First Chicago Corp. reported sharp second-quarter losses Monday, reflecting the expected impact of major banks' decisions to increase loan-loss reserves against shaky Third World loans.

Chase Manhattan, the third-largest U.S. bank holding company, reported a loss of \$1.4 billion in the three months that ended June 30. During the corresponding part of a year earlier, Chase reported earnings of \$145.76 million, or \$1.65 a share.

For the first six months of 1987 Chase said it had a consolidated net loss of \$1.3 billion, compared with net income of \$289 million, or \$3.28 a share, in 1986.

First Chicago, the 11th-largest U.S. bank holding company, reported a second-quarter net loss of \$69.3 million, compared with net income of \$63.5 million, or \$1.08 a share, in the 1986 quarter.

For the first half of this year First Chicago reported a loss of

\$633.32 million, compared with net income of \$126.65 million, or \$2.14 a share, in 1986.

Both companies, among the many major U.S. banks to recognize their vulnerability with many loans to less-developed countries, had said they would suffer large quarterly losses because of increases in their loan-loss reserves. The banks cited the decision by

\$128 Million Offered For Arthur D. Little

NEW YORK — Plenum Publishing Corp. has offered \$128 million in cash to acquire Arthur D. Little Inc., the consulting firm located in Cambridge, Massachusetts, Plenum said Monday.

The publisher said it had offered to buy all shares in Arthur Little held by the Memorial Drive trust, a retirement trust for Arthur Little employees, for \$50 cash per share. Plenum said it would buy all other Little shares under the same terms in a subsequent merger transaction.

UBS Considers Settling for 60% Of Hill Samuel

ZURICH — Union Bank of Switzerland may be willing to settle for a stake of about 60 percent in the British merchant bank Hill Samuel Group Plc. The Swiss bank's chief executive-designate has said.

"We could presumably content ourselves with 60 percent, but in any case we want control," Robert Studer told the newspaper Tages Anzeiger Zurich in a weekend interview.

Hill Samuel said last week it was in talks with Union Bank. Mr. Studer said Union Bank hoped that its eventual valuation of Hill Samuel would be accepted as fair by the British bank's board. "If another bank wants to forestall us and makes an offer that we think is too expensive, we will certainly not follow suit," he added.

American Air Seeks Europe Computer Link

to come to terms with American, United and the three airlines said they were ready to form a partnership and invest \$120 million for a model of United's Apollo information and reservation system in Europe. Many of the 30,000 European agencies do not have computer reservation systems.

The European systems would help agents in the United States as well. Most U.S. agents subscribe to either Apollo or Sabre. Since the European systems would be linked to their American counterparts, U.S. agents would have better European information. The Amadeus group has also negotiated with Texas Air Corp. about adapting its System One for Europe. An official close to the industry said Texas Air was willing to accept Amadeus's condition that it build the system but not become a partner or have an equity interest.

Exchange Bars Prospectus on Bid for Kluwer

AMSTERDAM — The Amsterdam Stock Exchange, questioning a move by the publisher Kluwer NV to resist a hostile takeover, said Monday it had withdrawn its approval of a prospectus on a friendly bid by Wolters Samson Group NV.

The exchange also said it was weighing possible sanctions in the case. Wolters Samson disclosed Thursday in a prospectus on its agreement to take over Kluwer that Kluwer had transferred ownership of its profitable judicial publications group to a set of foundations to protect it from Elsevier NV.

Elsevier is pursuing a hostile bid valued at just over 1 billion guilders (\$482 million). The exchange said that the information on the transfer of the division had not been provided ahead of publication.

De Beers Buys Holding In Anglo American Unit

JOHANNESBURG — Minorco Minerals & Resources Corp., the foreign investment arm of Anglo American Corp. of South Africa, has sold its 10 percent holding in Anglo American Investment Trust Ltd. to De Beers Consolidated Mines Ltd. for \$159 million, Anglo American said Monday.

It said Minorco would realize \$69 million on the sale. The Bermuda-based Minorco is 39 percent owned by Anglo American. De Beers owns 21 percent of Minorco.

Hongkong Bank Upbeat Despite Debt Provision at U.S. Unit

HONG KONG — Hongkong & Shanghai Banking Corp. will meet its 1987 profit target despite a \$400 million bad debt provision by its Marine Midland Bank Inc. unit, according to the chairman and chief executive, William Purves.

He said in an interview that the bank would make up the difference from investment banking and from its Hong Kong and Singapore operations. Marine Midland, 51 percent owned by Hongkong Bank, said last month that it expected a net loss of \$100 million to \$120 million. Hongkong Bank will treat its share of the loss as an extraordinary item.

Early this year, Hongkong Bank said profits would be sufficient to sustain a 12.8 percent rise in its 1987 dividend, from 0.41 Hong Kong dollars last year. It earned 3.06 Hong Kong dollars in 1986.

I think we've been aggressive in getting more than our share of the market.

Mr. Purves said that the bank was happy with its partnership with Sir Y.K. Pao's World-Wide Shipping Agency Ltd. and that he expected an adequate return from it in 1987.

There have been rumors that Sir Y.K. might float his shipping interests on the stock market. But Mr. Purves said there was no plan to change the long-standing relationship between the bank and World-

DAIMLER: Chairman to Resign

(Continued from Page 1)
quired electrical concern AEG AG, engine maker Motoren & Turbinen Union GmbH, and the Dornier GmbH aerospace group, for a total of 2.6 billion Deutsche marks (currently \$1.41 billion).

Mr. Reuter was widely viewed as the force behind the acquisitions, which are intended to turn the maker of Mercedes cars and trucks into a diversified, high-technology conglomerate.

The acquisitions also created West Germany's largest industrial group in terms of sales, which totaled 65 billion DM in 1986. But the drastically altered corporate profile also caused disputes within the company about management structure and technique.

Those disputes often pitted the traditional managers from the vehicle divisions, such as Mr. Breitschwerdt, against more financially and technologically oriented managers like Mr. Reuter.

Mr. Breitschwerdt is an outstanding auto company executive, said an analyst for a large West German bank. "But he is basically a cars-and-trucks man, and Daimler-Benz is a very different and much bigger company now."

"Mr. Reuter was always the company strategist," he said, "and through the structure and synergy committee created last July by the managing board, he was given de-

Who's importing what in the U.S. today?

You don't have to guess anymore. PIERS (Port Import/Export Reporting Service) can supply you with the facts rapidly and accurately. Far better than if you were in the U.S.A. calling on importers yourself.

You see, ship manifests in America are public records. So the Journal of Commerce (New York) stations 150 reporters in 52 ports coast to coast who transcribe the details of every individual shipment entering or leaving the country. They include the identities of shippers and consignees, commodity descriptions and other information.

All the data is stored online at our computer center. Our London office can supply you with instant printouts—or you can log on directly. In minutes, our PIERS system can show you

Chemical Bank Home Loans

100% UK Mortgages for Expatriates
\* fast, personalised service
\* funds immediately available
Phone our mortgage consultants on 01-380 5019/5214

Monday's AMEX Closing
Tables include the notations prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 13th July 1987
Net asset values quotations are supplied by the Funds listed with the exception of some units based on issue price.

DAIMLER: Chairman to Resign

(Continued from Page 1)
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PIERS
The Journal of Commerce (New York)
A Knight-Ridder Business Information Service

Monday's AMEX Closing

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Table with columns: 12 Month High Low Stock Div. Yld. PE 25 100 High Low Open Clse. Includes stocks like Ford, IBM, AT&T.

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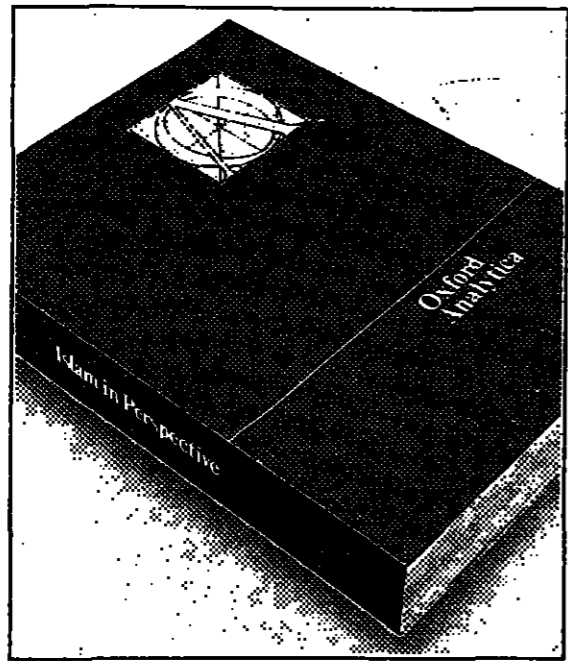
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The Impact of Islam



(On politics, peace, economics, and you).

Islamic fundamentalism. It will not go away, it cannot be ignored, it must be understood.

Springing from a region of major importance, and tragic instability, it affects us all. It is a force of towering strengths and explosive contradictions.

A profoundly conservative religious movement, it is, at the same time, a pillar of the

Saudi Arabian monarchy, and a driving force behind revolution, terror and assassination.

Not by nature anti-western, or anti-capitalist, it is pro-muslim. By its extraordinary power to embody religious, social and economic drives, it becomes a channel of expression, and a catalyst of protest.

What are the realities behind the caricatures?

To answer this question a team of leading scholars drawn from Oxford and other major universities has worked for the last year. Their findings are now presented in a major Oxford Analytica study 'Islam in Perspective'.

This detailed and authoritative work first examines the basic tenets of Islam, and then proceeds to explain its impact on social economic and political events, country by country, in the Middle East, Africa and Asia.

'Islam in Perspective' provides definite answers to the question 'what makes Islam Islam?'

If you have a business or personal interest in understanding the forces that shape your life, or a need to cope with history before it happens, you should read it.

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Floating-Rate Notes

Table listing various floating-rate notes in Dollars, Pounds Sterling, and Deutsche Marks.

FOREIGN & COLONIAL RESERVE ASSET FUNDS

Table listing various foreign and colonial reserve asset funds.

Japanese Yen

Table listing various Japanese yen funds.

Bank of Montreal

Advertisement for Banque Nationale de Paris, U.S. \$75,000,000 Floating Rate Notes 1987/1990/1994.

AMEX High-Lows

Table listing AMEX high and low prices for various stocks.

Pounds Sterling

Table listing various pounds sterling funds.

Deutsche Marks

Table listing various deutsche marks funds.

Japanese Yen

Table listing various Japanese yen funds.

E.C.U.

Advertisement for The Global Newspaper.

كازمان الأجل

Dollar Mostly Down on Profit-Taking

NEW YORK — The dollar closed slightly softer Monday against all major currencies except the yen on mild profit-taking ahead of Wednesday's scheduled report on the U.S. merchandise trade deficit.

In New York, the dollar closed at 151.075 yen, up from 150.80 on Friday. But it closed at 1.8425 Deutsche marks, down from 1.8465 on Friday; at 6.1325 French francs, down from 6.1525; and at 1.5380 Swiss francs, down from 1.5410.

The dollar was also lower against the pound, which closed at \$1.6155, against \$1.6130. Earl Johnson of Harris Bank in Chicago said the dollar was unable to sustain a brief foray above 1.85 against the mark.

London Dollar Rates table with columns for currency, rate, and change.

A deficit of \$13 billion to \$14 billion, he said, would be a "neutral" number for the dollar, while an imbalance of \$15 billion or above would be a negative.

LIFFE: Japan Futures

That far surpasses the next biggest such contract, the \$30 billion daily average of U.S. Treasury bond futures on the Chicago Board of Trade.

Officials at LIFFE hope that eventually daily trading volume will average 7,000 to 8,000 contracts, or around 10 percent of volume for the futures in Tokyo.

Contracts are based on long-term Japanese government bonds with a 6 percent coupon and a face value of 100 million yen, and are settled on a cash basis with delivery due in March, June, September or December.

Study Group Criticizes Growth of Third World Debt Swaps

By Leslie Wayne New York Times Service NEW YORK — A study group of leading bankers and economists has expressed concern over the burgeoning market in Third World debt swaps, a business that major money center banks, primarily Citicorp, view as a way to reduce loans to developing countries.

In such a swap, an investor purchases Third World debt at a discount from a commercial bank that wants to get the loan off its books. The investor redeems this debt at the developing country's treasury for local currency.

As a result, the investor can acquire, say, Mexican pesos at a favorable exchange rate. The swaps provide an unofficial and preferential exchange rate for investors, the group said, which can create artificial distortions in the developing country's economy.

There are many forms of debt swaps. The fastest-growing, and the one causing the most concern, is the debt-for-equity swap.

Proponents of the swaps say they bring new investment to developing nations. But Richard A. Debs, the recently retired president of Morgan Stanley International and another of the report's authors, said: "These swaps may attract new investors to come into some developing countries because they are attractively priced and that's good."

The debt swaps have been a growing business as banks have begun to set aside huge reserves to cover possible losses on loans to developing countries. This means the banks can sell their loans at a discount without incurring further losses in earnings.

Mr. Debs said the number might well grow to \$10 billion this year. That would be small, however, compared with the \$300 billion owed to banks by the 15 largest Third World debtor countries.

Emergency Talks in Beirut On Currency Market's Closure

BEIRUT — Lebanon's official interbank foreign exchange market was closed Monday for a second consecutive trading day after a record fall in the Lebanese pound's value on Friday, dealers said.

The finance minister, Carmine Chamoun, a Christian, and the acting prime minister, Salim al-Hoss, a Sunni Moslem, met for their first talks in nearly three months to discuss the crisis with the central bank governor, Edmond Nassim. Another meeting will be held on Wednesday, Mr. Chamoun said.

The official market was closed on Saturday after the local currency fell more than 14 pounds against the dollar on Friday, closing at a record low of 184. Sunday was a routine market holiday.

SIMEX: A One-Product Market

last year of Eurodollar and U.S. Treasury bond trading on the Sydney futures exchange.

More worrisome, however, are Japan's plans. The Osaka Securities Exchange began trading last month in a 50-stock contract based on the Tokyo market. Analysts expect the authorities to lift or reduce a 0.2 percent sales tax that has so far inhibited trading.

When the Central Committee completed its work last month, Mr. Aganbeyan was selected to summarize the proceedings for Soviet and foreign reporters.

ECONOMIST: Key Architect of Radical Change Is a Gorbachev Protégé

quality, and of letting businesses that are failing go bankrupt.

Along with other economists, Mr. Aganbeyan has avoided identifying his ideas with capitalism or Western economist thinking because that has been known to stifle careers.

Mr. Aganbeyan clearly relishes his new role. In an interview last year he said, "Certainly, there is a sense of satisfaction in seeing these ideas embraced by the leader of our country, although you shouldn't exaggerate my role."

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Monday's OTC Prices MASDAQ prices as of 4 p.m. New York time. Via The Associated Press.

Table of OTC prices for various stocks, including columns for stock name, price, and change.

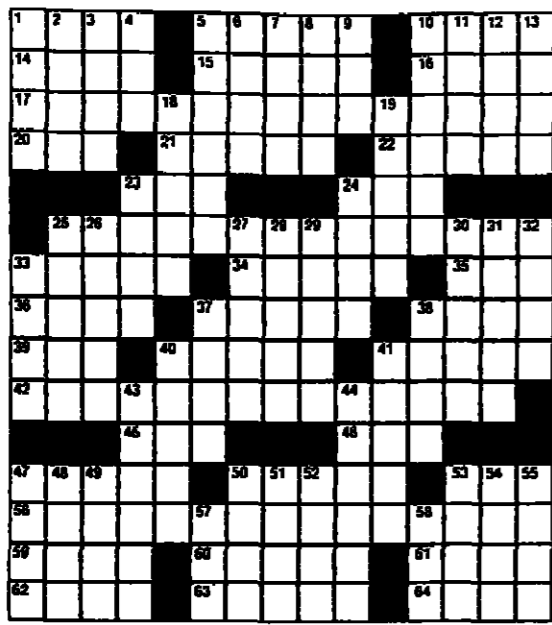
Main table of stock prices and market data, organized in columns with stock names, prices, and volume.

Table of stock prices and market data, continuing from the main table.

Table of stock prices and market data, continuing from the main table.

Table of stock prices and market data, continuing from the main table.

Table of stock prices and market data, continuing from the main table.



**ACROSS**

1 Singer Turner  
5 Old saying  
10 Caspian seaport  
14 Saroyan hero  
15 Legal precepts  
16 Precision  
17 Shchedrin and Shostakovich  
20 Ship's curved plank  
21 Tones down  
22 Subject of the eddas  
23 — de-lance  
24 Milan or Peking ending  
25 "The Firebre" composer  
33 Piano key  
34 Lepus members  
35 Hasten  
36 Festive event  
37 Item for Rostropovich  
38 Marx or Malden  
39 Washington hill  
40 Russian girl's name  
41 Slavic gymnasts' society  
42 "Scheherazade" composer  
45 First Year after B.C.

**DOWN**

1 Soviet news agency  
2 Press  
3 — blue  
4 French friend  
5 Rubinstein and Rodzanski  
6 Chunnel  
7 Amurilla's cousin  
8 Ruby and opal  
9 Sixth sense, for short  
10 "Children should —"  
11 Lang period  
12 Soriano  
13 U.N. member  
18 Corundum

19 Sahara stopover  
23 Tribunals  
24 Tied  
25 Russian ruler  
26 Jewish folkloric figure  
27 Show gratitude  
28 Proportion  
29 Bellowing  
30 Military hat  
31 Soviet ballet troupe  
32 Cheer  
33 Borodin's Prince  
37 Hopalong Cassidy portrayer  
38 "Mikado" role  
40 Ray  
41 Opera by 42  
43 Not married  
44 Ponette slowly  
47 Glinka's "A Life for the —"  
48 Aviation word  
49 Russian river  
50 Bridge  
51 Luth. or Episc.  
52 Man, in Mantua  
53 City in the Ukraine  
57 Actress Balin  
58 Scale notes

7/14/87

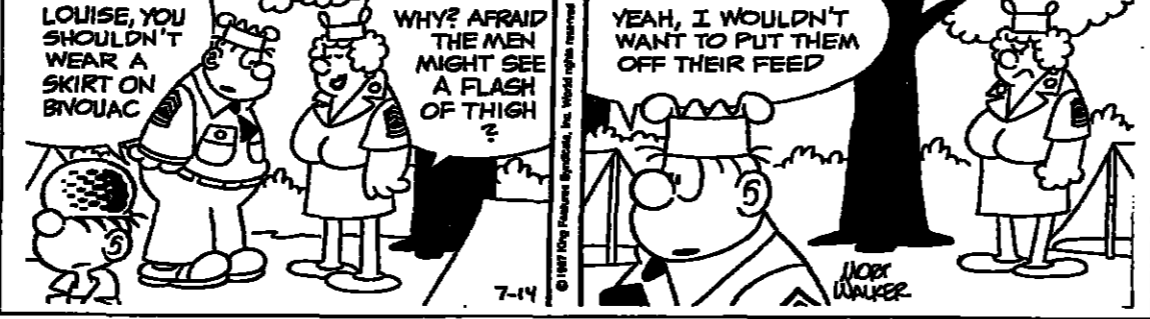
PEANUTS



BLONDIE



BEETLE BAILEY



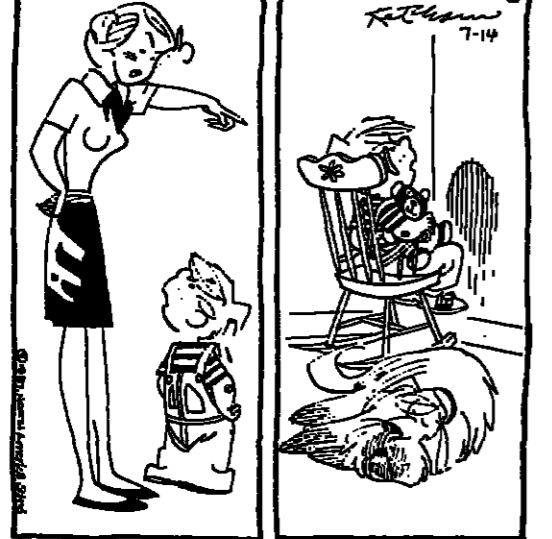
ANDY CAPP



WIZARD of ID



DENNIS THE MENACE

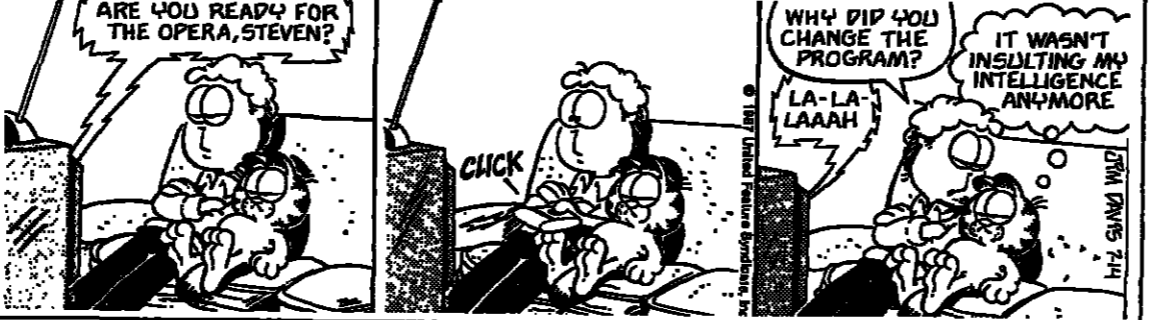


"DON'T YA KNOW IT'S OLD FASHIONED TO MAKE KIDS SIT IN CORNERS?" "SHE SAID SHE DON'T GIVE A HOOT."

REX MORGAN



GARFIELD



BOOKS

DON'T TREAD ON ME: The Selected Letters of S.J. Perelman

Reviewed by Christopher Lehmann-Haupt

S O much print, and only the selected letters of a writer who was known for bleeding words...

And the words invariably flow smoothly, whether joyously or vitriolically. No signs of bleeding here, except by those who've been hatched to Edmond Wilson...

Solution to Previous Puzzle

ACTS RETS HIKES  
ARIA ATOP AMIDE  
REPLICATE MILES  
SESAME SEMITONE  
DAMP DATA  
ESS GEAR RETORT  
CHAFE TIER IGOR  
LAVA MESSY ORLE  
ALEC ONES ANELE  
TERSER REPS SOS  
ILES NOSE  
ENAMELER PAMPER  
RELIC DUPLICATE  
STILT ASEA EGAD  
ESTES NEAR EEELS

o'clock after gorging himself, belching and generally behaving in the worst possible taste.

So incandescent is Perelman's prose that we begin to wonder if he's going to reveal anything about himself, whether his carapace will be pierced.

A species of autobiography, yes, but it leaves out much of what Dorothy Herrmann revealed in her 1986 biography, "S.J. Perelman: A Life."

Still, the clues are present if you want to see them. There is almost no mention of his wife, Laura, except when he sends her a letter while traveling...

Christopher Lehmann-Haupt is on the staff of The New York Times.

CHESS

By Robert Byrne

THREE Eastern grandmasters, Joel Benjamin of Brooklyn, Sergiy Kudrin of Stamford, Conn., and Leonid Shamkovich of Queens, tied for first place in the Fifth Midwest Masters Invitational Tournament in Lincolnwood, Ill.

They each scored 4½-½ and each was awarded a prize of \$1,200 in the five-round, Swiss-system competition.

Eighty-five players from the United States and Canada took part. Shamkovich had the satisfaction of defeating Curt Brasket a Minnesota master, by purely positional means without the winning queen's pawn or making use of any kind of tactical violence.

The system the players contested was a kind of Queen's Indian formation against the English Opening as can be seen after 6... P-Q3. White is permitted to take over center terrain in this popular line of play with 7 P-Q4. P-P, 8 QxP, but Black develops smoothly without any exploitable weakness.

Anatoly Karpov, in his game with Zoltan Ribli in the Dubai Olympiad last year, chose 90 R-Q1, B-K2; 10 P-N3, QN-Q2; 11

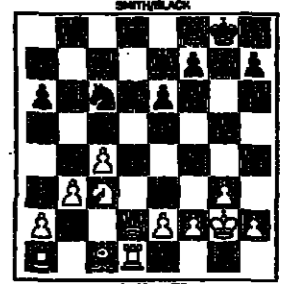
P-K4, setting up Maroczy bind. Nevertheless, Ribli's hippopotamus formation held up as solidly as usual after 11... Q-B1; 12 B-N2, O-O; 13 N-Q2, Q-R2; 14 QR-B1, QR-B1.

As for Brasket's 9 N-N5, BxR; 10 KxR, N-B3; 11 Q-Q2, B-K2; 12 R-Q1, Q-R2; 13 N-N5-K4, N-N3; 14 N-N, R-Q1, it lumbered along so slowly with intermittent simplification that it could not subject Black to any real pressure.

After Shamkovich's 16... Q-N2, Brasket could not impede... P-QN4 by 17 P-QR4 because of 17... N-Q5ch. Yet after 17 B-N2, P-QN4; 18 P-P, P-P, White's grip on the center was diminished and Black had an excellent game.

Once Shamkovich took over the initiative with 23... P-Q4, it was difficult to find a reliable defense for White. Maybe 24 BxN, BxR; 25 P-K5, B-K2; 26 QR-B1 should have been tried.

The reason why Shamkovich was so happy to exchange pieces at moves 27 and 30 to 32 can be seen after 32... P-B3, 33 P-P, P-P. While White's queenside pawn majority was lamed and useless, Black could



Position after 16 P-N3

not be prevented from creating connected passed pawns in the center.

After 44... B-B4, Brasket had no recourse against the looming march of the connected passed pawns and thus gave up.

Table with chess notation and scores for various players.

JUMBLE

Unscramble these four jumbles, one letter to each square, to form four ordinary words.



ANSWER: A (Answers tomorrow)

WEATHER

Table with weather forecasts for Europe, Middle East, Oceania, and North America.

World Stock Markets

via Agence France Presse Closing prices in local currencies, July 13

Table with stock market data for various countries including Amsterdam, London, Frankfurt, Zurich, and Tokyo.

Market Closed

The Paris stock market was closed Monday for a holiday

Table with market data for Paris, Sao Paulo, Zurich, and Tokyo.

Coca-Cola to Return to Gulf Markets

ABU DHABI — After a 20-year boycott, the United Arab Emirates and Oman have approved the sale of Coca-Cola and the construction of a bottling plant on their border, industry sources said Monday.

Coca-Cola was placed on the Arab League company boycott list in 1967 because it had a franchise bottler in Israel.



SPORTS

Magnificent 7 May Put the Crush on All-Star Baseball Game

By Murray Chass
NEW YORK — Sometimes they've done it in explosive spurts; at other times they've displayed devastating slugging over longer stretches. In a season that has been dominated by debates over the baseball's liveliness, they have caused people to strain their calculators in daily computation of projections for season totals of hitting statistics that grow like Jack's beanstalk.

Yankee Stadium. In 18 times at bat, he collected 10 hits, dinged five home runs and drove in 14 runs. Bell's production helped fuel an 11-game winning streak.
Clark, who by this time last year was finished for the season with a torn thumb ligament, leads the National League in runs batted in with 108. In a five-day stretch in May, he hit five home runs, drove in 11 runs and had seven hits in 17 at-bats.

What makes these hitters so good — so difficult to get out, to keep from hitting home runs, from driving in gobs of runs?
good — so difficult to get out, to keep from hitting home runs, from driving in gobs of runs? The assessments of various scouts and pitching coaches:

each of three games against the Yankees in mid-May. Then, in the first two games of a three-game series at the end of May, he hit none. "We thought we knew how to get him out," said Mark Connor, the Yankee pitching coach. "But he hit two home runs in the third game."

Clark explained, "but he's closed his stance a lot, with his left foot closer to the plate than his right. It's helping him handle the inside pitch better."
Davis: When National League scouts and pitching coaches talk about Davis, they sound like their American League counterparts talking about Bell. Davis generates tremendous bat speed, they say, and he is a good low-ball hitter.



Wade Boggs: No pop-ups, and cruising toward his fourth batting title.

and Dawson have produced this season, scouts say that if they were in a situation where their team needed one hit, they would prefer having Gwynn at bat. If the pitcher throws him fastball at 90 mph (144.8 kph), he'll pull it to right, he's hitting the pitcher's arm at 96 or 97, he'll hit it to left.

years, he disclosed, all batters have swung at those first-pitch strikes 55 percent of the time; Boggs has swung at them less than 8 percent of the time.
"Boggs is the type of hitter who likes to see a lot of pitches," Lahey said. "He likes to gauge how they want to pitch him. He's comfortable hitting behind in the count."

Mariners, Above .500 at Midseason, Are High and Dry Again

Seattle, which in 10 previous years has never had a winning percentage as high as .500, is 45-43. The 1982 club, led by hitters Richie Zisk, Tom Paciorek and Bruce Bochte and reliever Bill Canfield, is the only other Mariner team to be above .500 (45-41) at the mid-season break. The 1982 team finished the year 76-86, best in franchise history.

worked the first six innings and allowed the one run. Reed finished up for his third save of the season.
"Out tall left-hander is continuing his magic," Williams said. "Gutierrezman couldn't find his fastball — he had to throw his curve. But when you hold them to one run, you're doing a hell of a job."

BASEBALL ROUNDUP
and Ron Kittle of Chicago (1985) had ever homered into that area of the left-field stands. Matthews added a two-run single in the third.

went to third on catcher Denny Shaffer's throwing error. Reynolds scored on Mike Kingery's single to center. Phil Bradley walked, and Kingery and Phil Bradley moved into scoring position when Scott Bradley grounded out to first.

threw out a runner at the plate from right field. Winner Mike Witt (11-5) scattered four hits, struck out nine and walked five over his seven innings.



Aquino floors Thomas twice, Takes WBC Crown
Mexican Luper Aquino, above left, twice defeated champion Duane Thomas of the United States in winning the WBC superwelterweight title on a unanimous decision Sunday night in Bordeaux. Aquino improved to 30-2-1; Thomas, who won the title last year, lost for the second time in 31 bouts.

SCOREBOARD

Table with columns for Major League Leaders and Sunday's Line Scores. Includes statistics for various MLB teams and players.

Golf

Table listing golfers and their scores in various tournaments, including the U.S. Senior Open.

Cycling

Table listing cyclists and their performance in the Tour de France, including stage times and overall standings.

Knicks of NBA Name Pitino to Coach

NEW YORK (AP) — Rick Pitino, who led Providence to college basketball's Final Four last season, on Monday was named coach of the National Basketball Association's New York Knicks.

British Soccer Fans Face Extradition

LONDON (UPI) — Britain's highest judicial panel on Monday granted Belgium's request for the extradition of 26 English soccer fans to stand trial for a riot in Brussels two years ago that killed 39 people.

McCumber Edges Clampett in U.S. Golf

WILLIAMSBURG, Virginia (AP) — Mark McCumber sank a 30-foot (9.1-meter) eagle putt on the 16th hole Sunday and went on to a one-shot victory over Bob Clampett in the Anheuser-Busch golf tournament.

Transition

Table listing various sports events, transitions, and results across different leagues and categories.

Tennis

Table listing tennis players and their performance in various tournaments, including Wimbledon.

Football

Table listing football teams and their performance in various leagues, including CFL Standings.

Football

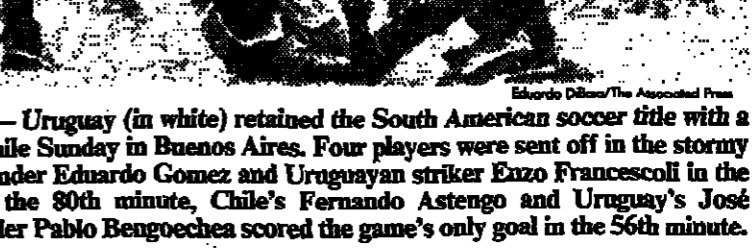
Table listing football players and their performance in various leagues, including CFL Standings.

Football

Table listing football players and their performance in various leagues, including CFL Standings.

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Table listing football players and their performance in various leagues, including CFL Standings.



ROUGHING IT — Uruguay (in white) retained the South American soccer title with a 1-0 victory over Chile Sunday in Buenos Aires. Four players were sent off in the stormy final, Chilean defender Eduardo Gomez and Uruguayan striker Enzo Francescoli in the first half and, in the 80th minute, Chile's Fernando Astengo and Uruguay's José Perdomo. Midfielder Pablo Bengoechea scored the game's only goal in the 56th minute.

ART BUCHWALD

Ollie's Replacement

WASHINGTON — Ollie North's recent job in the White House has been one of the most sought after in the country. Every lieutenant colonel in the United States wants it, and intensive interviews are now being held by the NSC to fill Ollie's shoes.



Buchwald

Louvre Seeking U.S. Donations

NEW YORK — The Louvre will seek American corporate and private financing to help complete a decade-long project to renovate the museum and upgrade its conservation and exhibition facilities, according to Emile G. Bisiacchi, the French official in charge of the expansion project.

follow orders or not follow them, whichever is most convenient to the president. "Does this mean I should consider myself a loose cannon on the deck of the ship?" "That is one of the most important parts of the job."

Cyrano de Bergerac à la Steve Martin

By Aljean Hammetz New York Times Service LOS ANGELES — The rooms in Steve Martin's house flow into each other like tributaries joining a giant river. There are no doors, and each white wall is dominated, almost totally covered, by the bold brush strokes of some huge painting — a Hockney, a Kline, a Noland. The choices are bold but by no means reckless gestures that Martin has written into the character of C.D. Bales in his screenplay for the current film, "Roxanne."



Daryl Hannah and Steve Martin in "Roxanne."

In Martin's much-praised screenplay, Roxanne has an extra "n," an ex-boyfriend, and one night in bed with Christian, renamed Chris. Seventeenth-century France becomes an off-season ski resort in the state of Washington where Cyrano, played by Martin, is the fire chief.

I would give it to would make it his own. It's hard to ask Neil Simon to write your idea. "When I was looking for a writer, I went to a screenwriter friend, David Goodman, and I told him, 'I want to update 'Cyrano de Bergerac' but I need a reason for doing it and how can I make it different,'" says Martin.

Melnick, the director, Fred Schepisi, and himself. Melnick, who has headed production at M-G-M and Columbia and produced Bob Fosse's "All That Jazz," says: "Some writers play it close to the vest. They're afraid of revealing the emperor's lack of clothes. Steve would ask me to give the script to various friends of ours for criticism."

From the beginning, he tried to parallel Rostand's play in every way possible. Cyrano's confidence, the pastry cook Ragueneau, has turned into Dixie, the call-cowboy, played by Shelley Long. A dual is fought with dice poles and tennis rackets. Cyrano, the captain of a band of men, is now the chief of a volunteer fire

PEOPLE

Italian Sets a Record Of 210 Days in a Cave

An Italian has potholer entered the world record books by staying underground for seven months in a cave near the Adriatic city of Ancona. Maurizio Montalbini was told by his physician via closed circuit television Monday that his 210-day feat had beaten the 1972 record of a French speleologist, Michel Siffre.

The Soviet film director Nikita Mikhalkov and his brother Andrei Konchalovsky appeared together Monday in Moscow for the first time since Konchalovsky left the Soviet Union to work as a director in the West. Mikhalkov was holding a press conference when a Soviet journalist asked why his brother was not present. The director said: "But he is," and asked Konchalovsky to join him on stage. Their father, Sergei Mikhalkov, a leading Soviet writer, was also present. Konchalovsky said that although he often returned to the Soviet Union privately, this was the first time he had done so at the invitation of Soviet film authorities.

Mark Peskanov, a 29-year-old Soviet-born violinist who came to the United States in 1973, has received the first Frederic R. Mann Young Artist Award in Philadelphia. Peskanov had previously won two major awards in one year — the 1985 Avery Fisher Career Grant and the Isaac Stern Award.

Betty Ford has been given the Pioneer of the Year Award of the Soviet-U.S. Joint Conference on Alcoholism and Drug Addiction. The wife of former president Gerald R. Ford was addicted to alcohol and prescription drugs and has written of her struggle. In 1982, she founded the Betty Ford Center in Palm Springs, California, where numerous celebrities have sought help in fighting drug or drinking problems. The award was also given earlier this month to R. Bradley Smithers, of Mill Neck, New York, a philanthropist who has spent 40 years fighting alcoholism in the United States.

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